



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

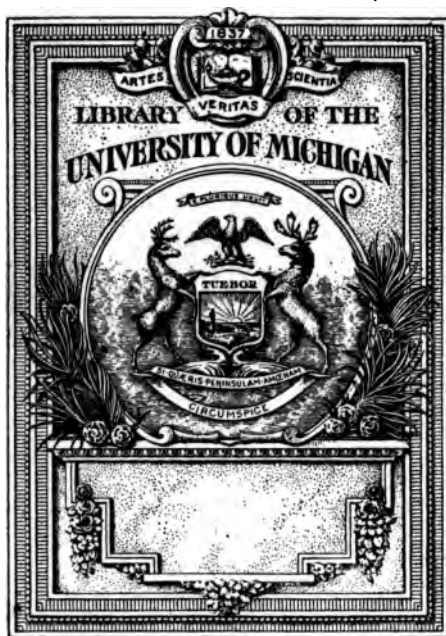
About Google Book Search

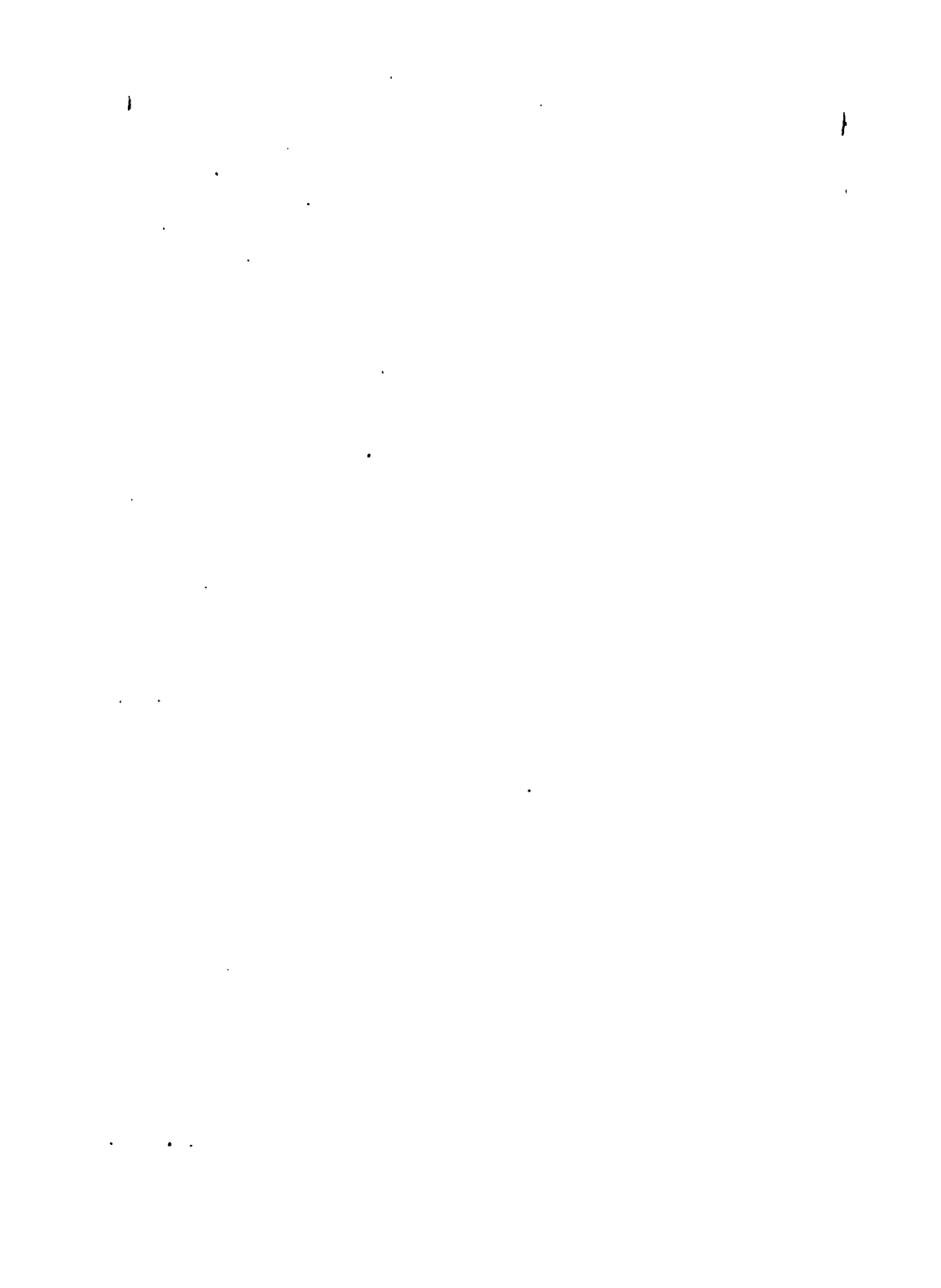
Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>

A 480003

The Great Change

By CHARLES W. WOOD





THE GREAT CHANGE

THE GREAT CHANGE

New America as seen by Leaders in American Government, Industry and Education who are remaking our Civilization



By

CHARLES W. WOOD



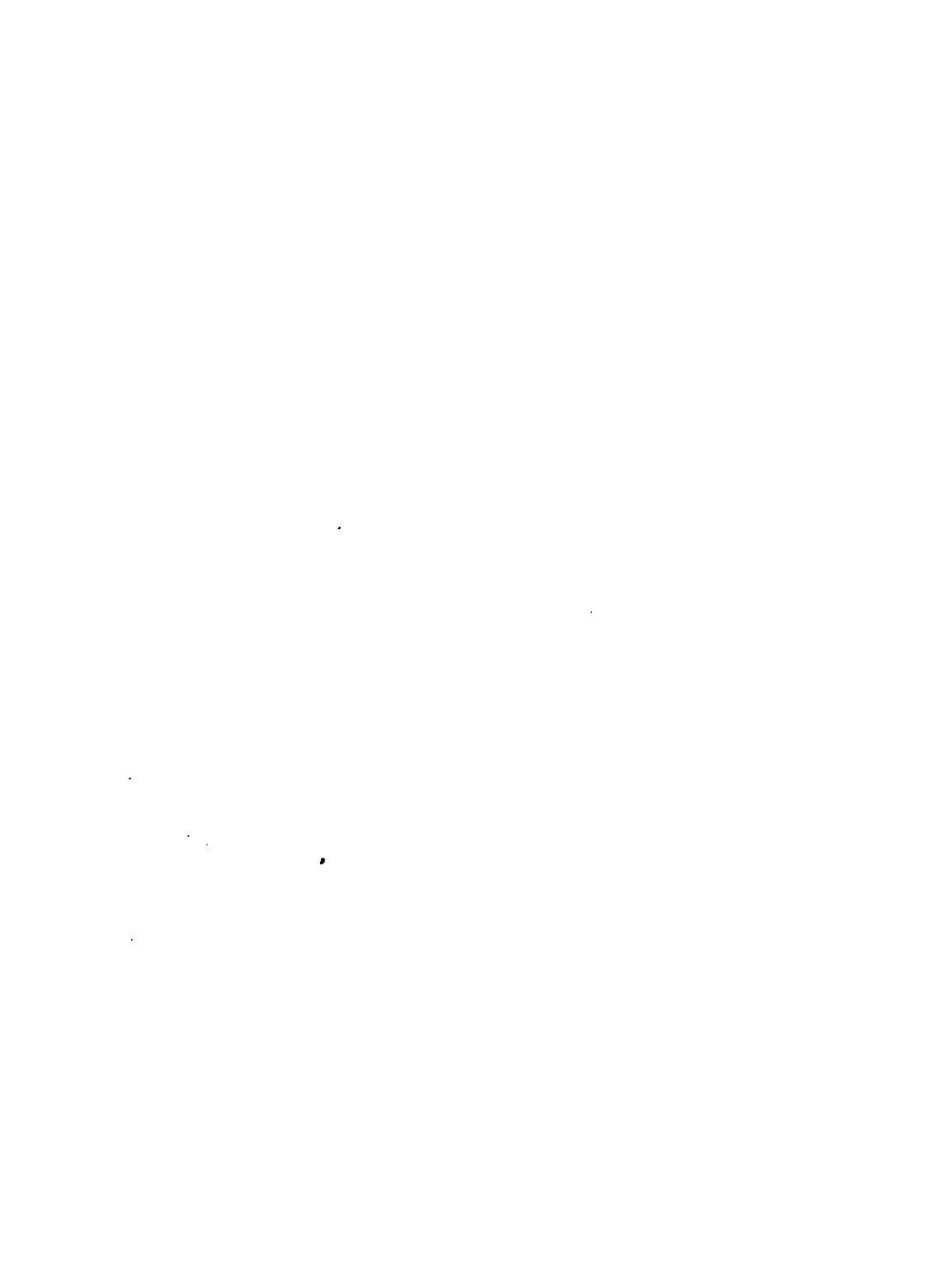
BONI AND LIVERIGHT
NEW YORK 1918



Copyright, 1918, by
Boni & Liveright, Inc.

CONTENTS

CHAPTER	PAGE
PREFACE	
I A COMMODITY COMES TO LIFE . . .	9
II "CODDLING LABOR"	20
III WOMAN'S NEW POSITION	31
IV DEMOCRACY IN PRODUCTION	41
V BUSINESS AS UNUSUAL	55
VI PARKER ON PRIORITIES	68
VII HOUSING THE WORKERS: THE GOVERN- MENT CLOSE-UP	81
VIII PREPAREDNESS FOR PEACE	90
IX PROSPERITY PLUS HUMANITY	100
X WELCOMING THE NEW-COMERS	112
XI MR. SCHWAB AND THE NEW ORDER	121
XII SOME QUICK-ACTION GOVERNMENT	131
XIII HOW WAR CHANGES HUMAN NATURE	146
XIV PROF. DEWEY'S STARTLING FORECAST	160
XV WILL CHILDREN GAIN THE RIGHT TO LIVE	170
XVI PROF. VELEN INTERVIEWS ME	185
XVII CONCLUSION	195



THE GREAT CHANGE



1
2
3
4
5
6

PREFACE

THIS is not a "radical" book. It is not "conservative." It resulted from an honest attempt to find out what the war was doing to us. That it would bring changes in every phase of human life thereafter was obvious. The extent of those changes I could not guess. I doubted if anyone could guess. Besides, I didn't want anybody's guess: I wanted facts. In my capacity as interviewer for the *Sunday World*, I went after the facts. Whenever any industrial or social change was decreed by the necessity of war, I sought out the executives who were entrusted with that change.

What changes had actually been inaugurated? What others were obviously necessary? And in each instance, how were these changes affecting our life today? These were the questions I asked; and I asked them each time from those who were directing the process.

Occasionally I got opinions. Occasionally the facts were too big for ordinary analysis. Then I went to experts, recognized leaders of thought in their special fields. These men advanced ideas which all my readers may not be willing to ac-

cept; but they were not reading their own theories into the war. In many instances they shrank from their inevitable conclusions; but they were men of science, men who realized that the truth is greater than any cherished dogma and that our future society will be what it will be regardless of anyone's aversion to it.

Most of these interviews were printed in the Sunday Editorial Section of the New York *World* and are reprinted only by special arrangement with the original publishers. For this courtesy, but still more for the opportunity to work up a mass of material outside the usual run of Sunday features, I wish to thank the editors of the *World*; but in no case, of course, can the *World* be held responsible for any of the ideas expressed.

As for my personal conclusions, I trust that they will not obtrude themselves. That Columbus discovered America is a fact; that he thought he was discovering India is immaterial. That the Allied armies have been killing off all the marriageable Germans is important, regardless of what General Foch's views on sex morality may be. That William Howard Taft has been helping to establish a minimum wage throughout the United States is of much more interest to me than any of the ex-President's views on economics. Surely then, my own conclusions are unimportant. I have done my best not to form any but to drop my dogmas and see what I could see.

The war was not on my program. I didn't do it. When it came, I confess, it found me all confusion. Was it, in the beginning, a war for democracy? Was it an imperialist war? Was it a capitalistic war? How long would it last? And which side would win? Those are the questions we were asking then, much as we devoted ourselves later to the discussion of "terms of peace"; as though the future world were to be shaped by someone's terms instead of by the conditions which the war had brought.

I couldn't answer any of those questions then and I was unable to foretell any of the terms of peace. I didn't start the war and I positively refused to end it. When it was proved to me that "the war couldn't last six months because the nations would be bankrupt," I made it a practice to wait six months and see. When it was proved later that there could not be a revolution in Germany, I followed the same Fabian tactics.

Guessing is seldom worth while: but guessing as to how someone else is going to guess is my idea of futility. I never could figure out what sort of peace the victors in this war would want: I was vastly more interested, besides, in what sort of peace both victors and vanquished would have to take.

"It is obvious," I reasoned, "that they can not carve a peace out of the world that existed on August 1, 1914, for that world has passed away.

It is obvious that it will not be a peace of *status quo*, for *status* isn't *quo* any more. If there is to be peace at all, it must be made out of the conditions that exist at the time the fighting stops."

What are those conditions? What changes have actually been made, not because we wanted to make them but because the necessities of war compelled us to? What tendency do these changes betray? And how, according to the known laws of human development, may human nature be expected to react to them? These are the questions which I have been asking, chiefly from men engaged in putting the changes into effect. If their answers have not given me any vision of Utopia, they have at least limned some sketchy outline of a new New World.

THE GREAT CHANGE

CHAPTER I

A COMMODITY COMES TO LIFE

“CHANGE! Inconceivable change! It is hard these days to speak of anything else. That so much world history could be crowded into so few years has made everybody gasp. One year the most populous nation of Europe stands as the symbol of reactionary despotism; the next it becomes such a radical Socialist republic that the Socialists repudiate it. America elects a President because he kept us out of war; in a few months we are ready to mob a man for suggesting peace. Sacred institutions disappear overnight. Women vote. Politicians clamor for Prohibition. Wall Street agitates for Government ownership. Steel kings talk Socialism, while former soap-boxers stand aghast and wonder what the world is coming to.

“A few years ago the sinking of a ship at sea furnished the newspaper sensation for weeks thereafter; today we hear about the sinkings in monthly admiralty reports. Daily Gettysburgs are chronicled as repulses, while the annihilation

of a nation or two is checked up as a reverse. In money matters millions have ceased to count. We think in billions instead. Our social standards are likewise going overboard. We have quit envying the idle rich for being rich and begun to jail them for being idle. It isn't fashionable to be fashionable any longer; if you don't wear your last year's hat, you're out of style."

Such were my observations in the early summer of 1918. But more vital changes yet, I soon discovered, were some that had not penetrated to the average human consciousness at all. A day or two later, for instance, I attended an evening class in economics, where an erudite Socialist was explaining to a group of workingmen the "fundamental principles" of the wage-system.

"Labor is a commodity," he said. "Wages are not determined by the value of the worker's product, and in their determination there can be no ethical consideration. Labor, like other commodities, is procured in the cheapest possible market; wages, therefore, always represent the lowest figure at which the workingman can be induced to work."

This gentleman had learned his political economy during the Taft administration. The best that can be said of him is that he hadn't forgotten any of it since. For at the time he was speaking, Mr. Taft himself and Frank P. Walsh were in Pennsylvania settling a strike of laborers. The

A COMMODITY COMES TO LIFE 11

men had been working for 22 cents an hour and had ~~struck for 30~~. The Taft-Walsh Board heard all the evidence and awarded them 40 cents an hour.

I do not say that this disproves the fundamentals of Marxian doctrine. I am not interested in either proving or disproving them. But here was a fact obviously at variance with this teacher's interpretation. It was an important fact, a thing decidedly new under the sun—William Howard Taft settling a strike by awarding the workers more than they had asked—but even the keen-minded Socialists had apparently taken no cognizance of it.

America, in the course of a few months, had suddenly become a place where wages might not be determined by the minimum at which necessity forces the workingman to work. Still, we had heard nothing of a political revolution and Congress had not passed any legislation covering the determination of wages. What, then, was the explanation?

The American people had been generally informed of the organization of the National War Labor Board; but that Board had actually been in action for months before we seemed to realize its revolutionary significance. We did not know that a new court had been established in Washington, a court almost without laws and entirely without precedents, a court with no legal power but with

more actual power than any court in America had ever had.

The War Labor Board didn't call itself a court; but it was making decisions daily and enforcing them, seemingly by moral force alone; decisions which were affecting the lives of the rank and file throughout America, and decisions which nearly every American for the past thirty years had thought it impossible for any power to enforce.

The National War Labor Board was created by President Wilson solely to insure the country against any stoppage of the Nation's war activities growing out of disputes between capital and labor. It was a machine intended to prevent strikes and lock-outs during the period of the war. It was a machine with so little machinery that you could hardly see it work, and a machine that seemed to have done away with most of the insurmountable obstacles that had wrecked all former attempts to harmonize capital and labor—simply by declaring those obstacles out of order.

Five representative American employers, five representative American unionists, two representative American citizens, a declaration of fundamental principles and a Proclamation by the President of the United States—that was all the machinery there was in sight. I sat through a four-hour session of the Board one day and never caught sight of anything distantly related to red tape. And still they were wrestling with a prob-

lem no less vital than the complete tie-up of the harbor of New York.

"What does it all mean?" I asked Frank P. Walsh, joint-chairman of the Board with former President Taft. "How was such a simple instrument invented, and how was it possible to get its findings enforced? How does it differ from other arbitration courts and how could you arrive at seemingly compulsory arbitration without having any legal authority to compel?"

"It means a new deal for American labor," he answered. "Not merely a square deal under the old rules but a complete abrogation of the rules, insofar as they treated labor as a commodity instead of as a sentient human organism."

Then he showed me the "Declaration of Principles" upon which the National War Labor Board was founded. I am not interested in declarations *per se*; and I was rather unconvinced when Mr. Walsh referred to it as though it were a new Emancipation Proclamation which would set wage-labor free. But a declaration upon which society actually proceeds to shape its activities is a different thing; and the great phenomenon in the United States for the next few months was the actual re-organization of industry according to those principles.

In this Declaration the Board had pledged itself, and the President in his proclamation had pledged the Board, to accept first the right of

labor to organize into unions and to bargain collectively with their employers. Employers must not discharge workers for membership in unions nor penalize them directly or indirectly for any legitimate effort to organize the unorganized. On the other hand, any coercion on the part of the unionists of either employers or employees would not be tolerated.

Secondly, all union shops would continue as union shops, and the union's standard of wages, hours and conditions of employment should be maintained. The Board would not use its power to compel open shops to become closed in the Union's interpretation of the term, but employers must issue no orders preventing 100 per cent organization of these shops if the workers chose to organize.

All established safeguards for the protection of the health and safety of the workers were to be retained. Where women were employed to take the place of men, they should be allowed equal pay for equal work and must not be allotted tasks disproportionate to their strength. All existing eight-hour laws should be respected. Where there was no such law, the question of hours should be settled with due regard to the welfare, health and proper comfort of the workers, as well as to the governmental needs.

Most important of all, in the view of Mr. Walsh, was the recognition of the living wage, a wage

“which will insure the subsistence of the worker and his family in health and reasonable comfort,” as a fundamental principle upon which the Board should insist.

It is an interesting comment on the state of America at the time, that the publication of these principles did not cause a sensation. I am recounting them in full today, not only because they were actually put in force by the War Labor Board, but because their influence extended immediately to other departments of the Government and began eventually to take hold of the psychology of the people generally—this Declaration, remember, which had been unheralded by any political party and had no apparent legal force behind it.

“Heretofore,” said Mr. Walsh, “the law has recognized the right of workers to strike, but it has not recognized their right to live. In case they lost their strike, in case they were not powerful enough to enforce their demands for a living wage, the employer could reduce them as far below a reasonable standard of health and comfort as the law of supply and demand would permit. If the supply of workers exceeded the demand, so that enough of them could be induced to work for wages that would not support them decently, the Government did not interfere. But if, through the strike, the workers were able to cut off the supply, the law permitted them to do so.

“Then suddenly the Government was confronted with a situation where strikes could not be tolerated. To permit a constant interruption of war industries would mean sure defeat upon the firing line. But to take away the strike meant to take away labor’s only weapon. The only way the Government could deny the right to strike was to give full assurance that no strike would be necessary.

“And that meant much more than passing a law. American workers have many times placed good laws upon the statute books only to find that they had to organize and strike for their enforcement. No matter how patriotic they were, they could not be expected to trade their only weapon for a statute.

“That is the problem which confronted the War Labor Conference out of which grew the present Board. And let me say that I believe the problem would have been insurmountable a few years ago. The most perfect law could not have pulled the trick. Compulsory arbitration could not do it. It is inconceivable that American workers should be forced to toil by the strong arm of the Government, to say nothing of the unconstitutionality of involuntary servitude. Again, no force on earth could make them yield that cheerful service necessary to win the war.

“Fortunately there was a man at the helm of the Government who realized all this. To the vast

majority of the labor representatives, President Wilson's word was more than a contract. A contract might be literally fulfilled, but President Wilson's promise would be fulfilled in spirit, too. Leading employers in the conference felt the same way. All got behind the President and the President got behind the problem. When you see our big little machine in action, I think you will agree that our confidence was justified. Legally we are without power. But morally and actually I believe that we have more power than any court of compulsory arbitration which Congress could have instituted."

Just a word about the "machine" to which Mr. Walsh referred. The old idea of arbitration was that an "impartial" and "disinterested" party holding the balance of power should make a presumably impartial and disinterested award. The general contention of unionists of my acquaintance, however, was that some of the worst findings were made by these supposedly disinterested ones. In disputes between workers and employers, the "public" was held up as the impartial party. But who were the public? Workers and employers—and loafers; or at best, meddlers. Why have the third party represented at all?

In this National War Labor Board, the third party was not represented. There were two representatives of the public, to be sure, Mr. Taft and Mr. Walsh, but one of them was chosen by the

representatives of capital and the other by the labor representatives.

Think back a few years. Do you remember who was the idol of the ultra conservatives in the Year of Our Lord 1912? Conservatism was in a bad way that year, and the man was stranded by the high tide of something known as progressivism—although in these days of Government ownership and sundry other unheard-of doings we would hardly call it that. The only question before the voters generally was which one of the other two candidates was the more progressive; and the gentleman in question barely escaped with Vermont and Utah.

Then, a year or so later, just before the war; do you remember the particular thorn in the flesh of those same conservatives? Remember the man who was upsetting the country, the “wild disturber” who headed the Industrial Relations Commission; the fellow who hauled great employers before him and asked them all sorts of embarrassing questions with no more consideration for their feelings than if they had been so many blacksmiths and iron-moulders?

Did anyone think it possible then that in another five years William Howard Taft and Frank P. Walsh would be working shoulder to shoulder on the Nation’s biggest problem; both committed to safeguard the rights of labor, including a mini-

A COMMODITY COMES TO LIFE 19

imum wage which has never even been established in law?

No, you wouldn't have thought it possible; and it can't be possible, but it's true.

CHAPTER II

"CODDLING LABOR"

WHEN the National War Labor Board was first founded, there was a storm of criticism throughout America accusing President Wilson of "coddling labor." At about the same time, it will be remembered, a United States Senator declared on the floor of the Senate that "the American War Machine simply is not functioning."

The storm centered mostly about the head of Secretary of War Baker. "Dreamer!" "Idealist!" "Highbrow!" These were some of the gentler epithets: "Why didn't the Administration oust him and put some "man of action" in this most vital position? Just a few months later, the achievements of the American War Department were the sensation of the world.

The Senator had spoken the truth. The American War Machine was not functioning then: it was being built. It is conceivable that the United States might have sent a million soldiers to France a year before we did. Some one had the genius

to remember, however, that these soldiers would have to be fed and clothed and equipped: also that food, clothing and equipment are created by labor.

But, as I stated in the last chapter, the appointment of the National War Labor Board, and even the announcement of its now famous Declaration, created little comment outside of this “coddling” charge: and the later appointment of Felix Frankfurter as Chairman of a National War Labor Policies Board was passed over as an inconspicuous piece of news. A few papers wrote him up as our “new labor dictator,” whatever sort of functionary this might be, but as for any vital connection between this appointment and the sending of men to France, few people in America seemed to sense it. But about the time the War Machine did begin to function, I looked up Mr. Frankfurter.

“There were a few outbursts of disloyalty at the beginning of the war,” he explained. “There were, as everyone knows, some glaring instances of profiteering. There were many strikes, generally supposed in the popular mind to be due to differences concerning wages, and it was commonly felt that the strong hand of the Government should assert itself. But few people realized how deep-seated the trouble was. If the disloyalty could be punished, it was thought, the profiteering stopped, and Labor’s printed list of grievances settled by

arbitration, we could then go to war as a united Nation and fight with maximum strength. We had a united Nation politically, unlimited manpower and patriotism to spare, but something seemed to clog the wheels of our War Machine. To-day, instead of wondering why there was so much friction, we are beginning to wonder how we got along at all."

This was not a "labor dictator" speaking. Mr. Frankfurter was a quiet, unassuming young man of the student type who, although formerly holding the dignified title of professor in the Harvard Law School, seemed boyish and almost bashful. The Labor Policies Board was created because it was obvious that our War Machine must have every part working in perfect harmony. The army must not be allowed to compete with the navy nor the builders of ships with the makers of munitions. But there was competition between the various departments: not jealousy or any desire to work against each other, but actual competition nevertheless. So one representative of each of the great war industries was appointed on this board to agree upon a general policy: and since co-ordination was the aim, it was only natural that the chairmanship should fall to one of the Nation's most alert and far-seeing exponents of law and order.

"If we are revolutionizing America's industrial life," said Mr. Frankfurter, "it is not because we

are revolutionists. Our one object is to win the war in the shortest possible time and with the least possible loss of life. If these policies should prove advantageous to America, in peace as well as war, that is the Nation's business. It is no part of our plan. And if we seem to be adopting plans which despised "highbrows" have advocated for many years, it is not because we have any pet economic or social theories to exploit. The bare fact is that the Nation could not fight under the conditions of industrial dis-organization that existed. There was no lack of energy and no lack of patriotism: but the energy was not being released and the patriotism was not permitted to function for the common good.

"In some instances, in fact, an excess of patriotism only worked excessive harm. One business organization, for instance, was given a great contract for munitions and another for building ships. Each group was patriotic; not a profiteer among them. To hurry the job was the one aim of each, even though financial loss might ensue. But each needed a tremendous labor force and labor was scarce. The only way the munitions group could secure the labor was to offer higher wages. Forthwith the labor supply left the shipping industry and went to making munitions, until patriotic ship-builders bid still higher for their return. The result was that the labor turnover in both industries was appalling, and the patriotic

workers were spending a large part of their time *en route*.

“This was not exceptional. It was general. In one case a California firm succeeded in getting a large labor force in Buffalo—and kept the men at work until agents from Boston brought them back from the Pacific Coast. No one was being benefited by these performances, least of all the workers, but there was no other way to proceed. Employers could not compel their men to stick. In peace times they might conspire with each other to keep wages down, but their patriotism in this crisis would not permit that. They might risk personal loss to themselves, but they would do anything and everything to meet the country’s need. The result was a maximum of activity and a minimum of action.”

I questioned Mr. Frankfurter’s statement that labor was the least to benefit. I forgot for the minute that this commodity was evolving into life. With employers competing so intensely for their labor, it seemed that the workers could dictate most desirable terms.

“They could and did insist on a raise in wages,” he said, “and were constantly confronted by a corresponding rise in the cost of living. Most strikes involve a readjustment of the wage-scale, but I am convinced that the question of wages is a minor one in almost all strikes. The discontent is much deeper than the pay envelope. Unless we

take into consideration the spiritual values concerned, no readjustment of the wage-scale will solve the labor problem.

"Two of the elemental causes of discontent are homelessness and insecurity. Unsteady, migratory labor suffers acutely, even though it may not always be conscious of the cause of the suffering. It is among the migratory workers that seditious propaganda takes root. Men will fight for their homes, but to fight for their company boarding-house is a different matter. They will fight for their country, if they are conscious of a place in it, but if they are constantly haunted by a sense of insecurity, the temptation is to fight for nothing but themselves."

Mr. Frankfurter was secretary of the Mediation Commission appointed by President Wilson in 1917 to look into the labor troubles which had brought war production in copper and some other materials almost to a standstill. Everywhere he went, from Arizona to the Northwest, this truth was constantly forced home. The workers were migrants. They belonged nowhere and nothing belonged to them. Aside from their wages, they had no interest in their job. They had no recognized place in the industries and sought through their unions to attain one. But the employers refused to "recognize" their unions, refused to deal with them collectively; and the men, having no collective authority in the industry, re-

fused to assume collective responsibility for it.

"If the Government's needs were not supplied," said Mr. Frankfurter, "the workers insisted that it was not up to them. 'See the profiteers,' they said, 'the men who own the industries and have everything to say.' And the men who owned the industries, frantically anxious to supply the Government's needs, were equally suspicious of the workers. Union recognition, they said, meant control by the irresponsible. And the deadlock continued.

"It is broken now. Suspicion has given way to mutual confidence. The problems are not all cleared up and few people even yet realize how manifold they are; but Uncle Sam's hands have been untied and the whole world knows that he is fighting."

What happened is not at all what most of the patriotic Americans wanted to happen. Employers' organizations, especially, pleaded for laws forbidding strikes. Employees began to advocate confiscation of the Nation's industries. A "labor dictatorship," whatever that might be, was advocated by some. Mr. Frankfurter gave President Wilson credit for bringing order out of this confusion. Instead of trying to make strikes unlawful, the President established the War Labor Board to make them unnecessary. Instead of entering upon wholesale bureaucratic control of industry, he established the War Industries Board,

whose object it should be to co-ordinate existing industries in their problems of materials and supplies. And instead of a labor dictatorship, he established the Labor Policies Board, whose aim it should be to release the Nation's human energy.

“A few months ago,” said Mr. Frankfurter, “we used to hear it whispered that the President was ‘coddling labor.’ And the common retort was a general denial. Now we are beginning to realize what an utterly absurd charge it was. No one can coddle labor. You might as well accuse the President of coddling copper or being nice to gasoline. A nation is its human energy, and a nation's first problem is the conservation of that energy. Through the great work of the Food Administration and other agencies, Americans have now learned how to save certain of our most necessary products. But if we do not learn how to release the energies within us, we shall be guilty of an extravagance beside which the mere waste of food and fuel would be negligible. We can not, for instance, hope to save two-thirds of our food; but by releasing sufficient human energy, we could triple its supply.”

The problem of most urgent importance before the Labor Policies Board was the labor turnover due to the lack of any system in the building up of each separate war industry. One of the first results was the co-ordination of all the employment agencies under one government bureau, and

an executive order to all war industries to obtain new employees through this agency alone. Needless to say, under the new arrangement, armies of men were not transported from Buffalo to San Francisco and back to Boston; and if one arm of the Government was temporarily strengthened at the expense of some other, it was solely due to a special emergency requiring concentration there.

There were a hundred problems before the Board and none of them were easy: housing of the workers, training the unskilled, stabilizing the wage-scales, if possible, and enforcing the Eight-Hour Law without upsetting those industries to which it did not apply. Not to enforce that law at all was the easy solution suggested by certain manufacturers. Mr. Frankfurter replied by pointing to England, where taking off the restrictions of the short workday had curtailed war production instead of increasing it.

"However the question is settled," he told me, "you may rest assured that it will not be settled according to the old arithmetic. Employers used to say with finality that 2 is 25 per cent of 8 and therefore a man can do 25 per cent more work in ten hours than he can in eight. This was good arithmetic, but it may be very bad psychology, and employers are coming rapidly to see the error."

The Labor Policies Board, it must be remembered, had an interest in these questions of wages and hours somewhat different from that of the

War Labor Board. Uninterrupted production was the aim of the Taft-Walsh Board and its attention was centered on the settling of disputes. Maximum production was the aim of the Labor Policies Board and it was concerned as well with individuals quitting their jobs. It is better to arbitrate than strike, said Mr. Frankfurter, but it is better still to work along so smoothly that neither strike nor arbitration is made necessary. The best time to settle a strike is before it occurs, before any bitterness has been engendered on either side.

“We are not social theorists,” he said, “and we are not intent upon creating an ideal state. The simple fact is that we are taking 4,000,000 men out of industry at a time when industry needs men as never before. Immigration has practically stopped and we can not look to it for relief. To remove all the restrictions from working conditions was the first suggestion of the thoughtless, but England’s experience shows that that would be futile. We can’t get more men by raising wages, because there are no more men to be found. We must find a way to release the human energy at our disposal, and that means something far more than adjusting wages and hours of employment.

“We must secure fair wages, but we must also bring about such a condition that men will not be working for wages alone. We must inaugurate such a schedule of hours that no one’s health or efficiency is impaired; but we shall not be satisfied

to have labor, which is human energy, measured only in hours. Industrial conditions must be so adjusted that there will be another measurement and another incentive. With plenty of cheap labor, we as a community did not have to see this; but we have now reached a condition where we can not afford to have any American life held cheap.

“We have no cut-and-dried plan,” Mr. Frankfurter concluded, “but the objectives seem plain and our National attitude is taking form. With the objectives clear and the attitude formed, there should be no great difficulty concerning tactics. It is all a matter of conserving labor for the highest possible usefulness. *Strange that it should take a war to teach us to stop wasting human life!*”

CHAPTER III

WOMAN'S NEW POSITION

"TELL me," I asked Miss Mary Van Kleeck, chairman of the Woman's Division of the new War Labor Administration, "tell me what the women of America are expected to gain from this new situation."

"I hadn't been thinking about that," she answered.

And she hadn't.

Miss Van Kleeck was first of all a thinker. Her mind was keen and direct, her remarks clear, incisive and always to the point. She was also a believer in the political and economic equality of women; but she had been altogether too busy since her appointment to give it a thought.

"What have you been thinking about?" I asked.

"About winning the war," she said, "and about the most efficient way the woman power of America can be utilized for that particular end."

Before I finished my interview I heard some startling things. I thought I saw a new era for

America—just ahead. I saw a changed industrial order, a changed social order, an all-around re-adjustment of American life so inclusive that it can hardly be exaggerated; but in order to get any intelligent glimpse of its outlines, it is necessary to grasp Miss Van Kleeck's point of view. If one looks at it from the viewpoint of a social reformer, the whole prospect becomes blurred.

There were all kinds of uplifters in Washington at the time, all sorts of social and moral propagandists. But in the inner circles of the War Machine they were getting little encouragement. The War Machine had just one aim. It was neither moral nor immoral. It was neither idealistic nor sordid, neither benevolent nor cruel.

"What will be your chief concern," I asked Miss Van Kleeck, "in the treatment of women in the war industries?"

"The establishing of conditions which will insure maximum production," she said. "The equipment of our fighting forces with everything they need."

"And why a Women's Division for this?"

"Because America has never learned how to get the most out of women's labor. We have never needed the labor of women on any such scale as we need it to-day; and those who have been put to work have not been kept in the best of working condition. The hours have been too long, the wages too low, the opportunities for maximum

achievement too few. The bulk of the man power of the Nation may yet be called for military service; and if we have not then learned how to utilize woman labor our condition will be deplorable."

"Then you will insist on the eight-hour day and like reforms in all the war industries?"

"I didn't say that," she answered. "I said we should insist on the conditions necessary to insure maximum production. In most industries it does seem to be proved that eight hours is long enough to work. It may be too long in some."

"We are not thinking of what industrial conditions women would most enjoy. The women workers of America are not thinking of that. We are thinking, all of us, of how to win the war; and if we could win it through the sacrifice of health and comfort, the women workers are ready to make the sacrifice. But it will have to be proved first that such a sacrifice would help."

Miss Van Kleeck had a good deal of data to prove that it would not. As investigator for the Russell Sage Foundation, she was engaged in many industrial surveys. In almost all of these she became convinced that long hours were not only disastrous to the women workers but disastrous to their work. Later, in the Industrial Service Section of the Ordnance Department, the conviction became more fixed.

"I am not dogmatic on the subject," she said. "There is a good deal that we don't know yet

about the relation of hours to the product. But every study that has so far been made seems to add new evidence in favor of the shorter workday. In some jobs, I admit, a woman operator, working ten hours, can turn out more work for a short period than in an eight-hour day. But the war can be won only by sustained production over a long period.

"We must not be shortsighted," she added. "If a certain kind of work uses up the worker, or even stultifies her so that she can never be fit for any greater service, it is the most expensive sort of work that we can perform. We can't afford to have our labor power so exhausted. We must utilize the inventive genius of the Nation to make such work unnecessary, even though it may seem cheaper at the time not to make the change.

"Why, to obtain the very best results," she added, "a worker must not only be well paid and well cared for, but happy in her work. I don't mean that the shop must be full of amusements and diversions. I mean that, wherever possible, the work should be made so interesting that the worker will not have a constant craving to be diverted. We have a long way to travel yet before this objective can be reached; but if we are to obtain maximum production it is plain that we must aim for it."

Not once did Miss Van Kleeck use the terms "humanity" and "justice to womanhood;" but

reforms that humanitarians have despaired of were quietly set down among the needs of the hour if Pershing's army were to be kept supplied with munitions, uniforms and shoes.

"Never before," she said, "has maximum production for national good and not for individual profit been the goal of American industry. That is the essential change which makes all the other changes practicable. Hitherto we have been producing things to sell, and the quantity we produced depended upon the market conditions. Now we are producing things for the Nation to use, and there is no limit to the quantity we want to use. Formerly there was always a certain amount of unemployment, and the manufacturer generally procured his labor in the cheapest market. Now we need the labor of every worker we can find, and we must utilize each worker at her highest capacity. Wages, then, must no longer be determined by competition for the job, but according to that system which will assure the utmost possible achievement.

"There is another reason," Miss Van Kleeck added, "why there is a necessity for a Women's Division. Millions of American women will soon get their first introduction to industrial life. They are intelligent and capable and they are eager to help win the war; but they are absolutely without training and have no idea of what industrial work is like. The difficulty does not lie in getting the

women to leave their homes; the danger is that they will do so much faster than our industries can efficiently absorb them.

"It will be our object to find places for these women and as far as possible to fit each woman for her place. We could start a recruiting campaign for women workers to-morrow and get millions to volunteer. Then we wouldn't know what to do with them; for 'industry' is not simply a great big, empty space needing just so many units to fill it up. The problem is not one problem; it is an infinite number of problems, different in every town and different in every industrial organization. Certain jobs cannot be efficiently held by women. It is better in many cases that the old men should be employed first. We don't want young girls as night watchmen, or mothers of young children for hard manual labor."

"I thought you were not approaching the problem from the moral standpoint," I interposed.

"We are approaching it from the standpoint of the Nation's safety," she answered. "And from that standpoint we cannot afford to overlook any factor that might tend to undermine our national life. But millions of women must be brought into industry. They must enter a life that has been utterly unknown to them heretofore. They have small opportunity to know how they can best serve the Government, and it is our function to give them all the guidance that we can. No war work

is more essential than the mothering of children, and for the mothers of young children we shall discourage the taking up of industrial work. For others we shall need training schools, with vestibule schools, perhaps, in all our factories, where applicants can be tried out at various sorts of work.

“We shall not throw them *en masse* at the war industries and trust to luck for them to make good. They must make good. It is the Government's business to see to that. So we must surround them with every safeguard, see that there is nothing in the conditions of employment that tends to sap their energy and that their wage is always sufficient to keep them from either discouragement or want.”

Miss Van Kleeck had said more than I had asked her to. She had not only outlined the changes she was inaugurating, and told of the immediate objectives to be gained, but in a very few words had made it easy to comprehend a multitude of phenomena connected with the strange, new order.

Hitherto we had been producing things to sell. Now we were producing things for the Nation to use. There were still profits in abundance and even profiteers: but profit was no longer the motive of production. Labor was no longer a mere commodity.

I next went to Miss Mary Anderson, assistant

director of the Women's Division. With millions of American women about to enter industry at a time when the whole motive for industrial activity had been suddenly changed, I was particularly anxious to get a woman unionist's point of view. Miss Anderson had come to her task from the executive committee of the Boot and Shoe Workers' Union and from strenuous activities in the National Women's Trade Union League.

"What do you consider the first objective to be gained?" I asked her.

"Equality," she replied. "Equal pay for equal work, according to the principles laid down by the National War Labor Board."

"Is there any particular difficulty in the way?" I asked. "With the Government committed to the principle, isn't it generally being followed?"

"Employers often figure," she said, "that the work isn't equal. When they reorganize an establishment to employ women instead of men, it generally means installing different machinery and a different division of labor. When they have done this in the past they have usually done it because, frankly, it was cheaper, and there is a very common feeling that woman labor should be cheaper still. It is our business to see that it won't be cheaper, but it will be rather difficult in some cases to prove that the work is equal."

"How are you going to prove it?" I asked.

Miss Anderson smiled. It was a kindly smile,

with not a trace of vengeance in it; but it was the smile of a crusader who seemed to be getting a first glimpse of the Promised Land.

"There are other principles," she said, "laid down in that declaration of the War Labor Board. That declaration was subscribed to by the representatives of American capital and American labor, and its principles are so sound that they will hardly be questioned. Still, it is barely possible that all the interests which have theoretically recognized those principles haven't thought of them in terms of woman labor.

"The right of every worker, for instance, to a minimum wage; and a minimum wage is defined as one which will support him and his family in health and reasonable comfort. Some employers may object to paying every girl employee enough to support a family."

"Would you insist on that?" I asked.

"Why not?" she asked in reply.

I started to answer. I couldn't say that a woman didn't need as much as a man. I couldn't say that she eats less or requires less room, for restaurants and landlords have historically made no distinction. Certainly, speaking of the woman in industry, I couldn't aver that she "wasn't the breadwinner." She might not actually have a family to support, but neither do all the men for whom this rule was made; in fact, it was expressly to keep wages from falling generally to the level

of individual support that this family standard was set; and unquestionably a large number of women do have families to support. Finally I said something about "industry not being able to stand the strain."

"But industry," Miss Anderson rejoined, "can't afford anything less than the highest possible degree of efficiency from every worker; and the way to secure such efficiency is first to secure an adequate standard of living. The war must go on to complete victory, and in order to gain victory in the shortest possible time we must insure maximum production."

Maximum production! Back to the starting point. There were any number of ways in which I could have answered Miss Anderson if she had been appealing for the "rights of women." But the demands of the war—who could make an effective appeal against that?

CHAPTER IV

DEMOCRACY IN PRODUCTION

How far had the introduction into industry of this new motive, the attaining of maximum production, been responsible for the now sensational achievements of our War Department? Had our great United States for the past decades been doing business generally in an inefficient and stupid way? Would the exigencies of war teach us a new way, and a way so superior in its results that we could never think of bringing back the old? Attaining maximum production was a new slogan and I wanted to get all the enlightenment I could. So I went to the biggest production engineer I could find in the United States, Mr. H. L. Gantt, former Vice-President of the American Society of Mechanical Engineers and consulting expert for many of America's greatest industrial organizations.

"If our industrial machine," said Mr. Gantt, "were made to run at top-speed and maximum capacity, according to the laws of production which have already been discovered, America

could win the war, pay for it out of hand, live in comparative opulence while we were doing so and be immensely richer at the close than we ever were before.

"On the whole," he said (this was in June, 1918), "only about 50 per cent of our industrial machines are actually operating during the time they are expected to operate; and on the whole these machines, during the time they are being operated, are producing only about 50 per cent of what they are expected to produce. This brings our productive result down to about one-fourth of what it might be if the machines were run all the time at their highest capacity.

"This conclusion is not a guess, but is based on reliable data. Unfortunately there are many other elements of unnecessary waste in our productive process which cannot be so accurately calculated, but which reduce our effectiveness certainly to 20, and very probably to 15 per cent."

"What is the trouble?" I asked. "Is it because we are a democracy?"

"It is not," said Mr. Gantt. "It is primarily because we haven't yet grasped the full significance of democracy. We want more democracy, not less. We are the most democratic people on earth, but that does not mean that we are completely democratic. In the most vital things of life—industry and business—we are still autocratic. In politics we are democratic; but not one-

tenth of our life is devoted to politics, so we are still something under 10 per cent democratic.

"Germany gained efficiency, a hateful, man-killing type of efficiency, through co-ordinating its autocratic political system with its autocratic system of industry. We might increase our efficiency some by imitating the German system; but we could increase it immeasurably more by democratizing industry.

"Our minds have been full of the beauties of democracy," he added, "but we have failed to appreciate its sublime strength. Democracy means the releasing of the infinite energy of all the people for creative work, something more than releasing their opinions for unlimited debate. I don't agree with the average politician's concept of democracy. His is the debating society theory of Government; policies, according to him, must be decided not by demonstrated facts but by opinions; not according to the laws of physics but by majority vote. Such democracy accomplishes nothing and leads nowhere. Real democracy consists of the organization of human affairs in harmony with natural laws so that each individual shall have an equal opportunity to function at his highest possible capacity.

"Such a democracy would be more efficient than any autocracy could possibly be. It would not be a tender plant appealing to sympathizers to 'make the world safe' for it; it would be such a rugged

growth that it would have nothing on earth to fear. Real democracy does not need a benevolent champion with a Big Stick to come to its support; and it would not need a sage with superhuman wisdom to tell it what to do. It would know what to do because it would be governed not by any one's opinions but by scientifically ascertained facts.

“Voting upon a question of fact is the poorest possible way to settle it. Does water run up hill? This is an important question if we wish to install a water system, but intelligent democracy will not ask for a ballot on it. The best way, if we don't already know, is to find out. Let us do away with debating society methods both in politics and industry and substitute demonstrated facts for the opinions of either an autocrat or the great majority. Until the people consent to such a change they will never attain to real democracy.

“To-day, however, both in politics and industry the debating society method is still in vogue. Labor troubles especially are seldom settled any other way. Employees ask for a certain wage; directors of the industry declare the demand unfair; then they either compromise or fight. The chances are that neither side has any data on the actual values concerned. The factory is probably controlled by financiers who know nothing of industrial management, while the labor leaders are unconcerned as to whether the work in dispute is of any value to the community or not. Strikes are

called because it is presumed that they will pay. Lockouts are declared because the employers believe that it will pay to shut down the plant. What sort of a system is this which places a premium on idleness?"

I hesitated to express an opinion and asked Mr. Gantt just how he would characterize such a system.

"I would call it 'Business as Usual,' " he answered. "There are two main reasons why we have such a low percentage of production. The first is that industry is not managed by men who have learned industrial management but by business men whose specialty has been the study of market conditions. The second is that the autocratic owners of our industries have not always wanted 100 per cent production. They have been gunning for something else—for profits. How can we get efficiency in our industries when those who control them do not always want efficiency in the first place and wouldn't know how to get it if they did?"

"Overproduction has been the bugbear of American business. Our periodic panics have all been laid to this. From time to time we have produced so many goods that it was thought there was no market for them, and the industries have had to shut down. This brought unemployment and poverty, with consequent inability to buy the things we had produced. The workers then had to go

ragged because they had produced so many clothes. They had to go barefooted because they had produced so many shoes. They had built so many houses that they had to live outdoors. Can any one find an excuse for continuing such a system of industry?

“How to curtail production and avoid glutting the market has often been a problem of our business interests. Curtailing production means shutting down the plant, wholly or in part. The ‘captain of industry’ by this measurement thus became too often a captain of idleness. The way to get rich, he discovered, was to quit producing wealth.

“Just now, however, confronted by the greatest war of history, we suddenly discover that the important man is the man who can produce the goods. In most of our industries heretofore the sales department has been the important factor, with the accounting department possibly second and the production of goods shunted into third place. But now we want ships—ships—ships—and if there is a sales department in our Emergency Fleet Corporation we haven’t heard about it. If a man were to go to Washington to-day and say that he had studied the ship market all his life and would be glad to advise us as to where to sell our ships he would be locked up as a nut. But if he is a nut we must admit that we have been following a nut system.

“The contest with Germany is fundamentally, one of tool power. Guns are tools, ships are tools, airplanes are tools. The value of soldiers and workers, so far as the war is concerned, lies only in their tool power. Before the war it was sagely stated that money was the deciding factor and that the nation which had the biggest purse would win. Now we see more clearly. Germany has so far been able to hold the world at bay simply because her tool power has been more efficiently organized.”

In 1913 Mr. Gantt was one of 300 American engineers who visited Germany and intimately inspected a number of the finest industrial plants. These men reported to their colleagues here that the plants were not generally superior to those we had in America and that the individual efficiency of the German worker was less than that of his American rival. The American worker not only produced more in a day but he showed a greater return per dollar of wages than the German worker.

“Germany, in a measure,” Mr. Gantt explained, “had discovered that a nation could not get rich by shutting down its industries or running them at a small percentage of their capacity; and she did not encourage the individual capitalists to follow such a course. National power to her meant maximum production, and the state encouraged maximum production.

"To dispose of the goods, then, she encouraged combinations and pools which in this country were supposed to be abhorrent. The result was that the goods were disposed of with a minimum of friction and she was able to undersell the world. In this country we insisted on all the friction possible, adopted Sherman laws to compel competition and incidentally made the sales department the biggest and most difficult department of our industries.

"Now, in order to supply the needs of war, our Government has been compelled to step in and commit the 'crime' which it would not permit our industrial machine to commit before. We pooled the railroads, abolishing competition as far as we could do it. We have taken some steps toward pooling the coal mines and making distribution as frictionless as possible. But so far we have only scratched the surface."

"Well, what should we do?" I asked. "Should we repudiate the present ownership of the industries? Should we overthrow the whole profit system, as the Socialists propose? Should we have universal Government ownership? Or do you mean that we should pass laws compelling the privately owned industries to run to the full capacity of every plant?"

"Nothing of the sort," said Mr. Gantt. "I don't propose to take industry from the control of autocrats and place it under debating society management. As to passing a law, I don't suppose

any one seriously thinks that even our Anti-loafing Laws will appreciably increase production. An engineer's way of eliminating the profit system would be to encourage production and make the distribution of the product such a frictionless thing that salesmanship would become almost a lost art.

"We do not need to take over the factories into the hands of our universal debating society. The matter of their ownership would be a mere detail anyway if both production and distribution were scientifically managed. It is true that our great waste is caused by the system of production for profit; but it is not true that the lost wealth goes mostly to the profiteer. It doesn't go to anybody. It isn't being created.

"Our problem should be to till our idle soil to the utmost possibility, to run our idle machines to their utmost capacity, and to make producers out of the vast armies of present-day busy people whose energies are being wasted in upholding our present inefficient system."

But how? From Mr. Gantt's testimony before the Federal Trade Commission I got an inkling of the answer.

"If one manufacturer," he was asked, "can produce an article at half the cost required by another manufacturer to produce a similar article, how should the Government go about it to fix a fair price?"

"Was not the Government confronted by that

very situation in the matter of coal?" Mr. Gantt asked. "And inasmuch as the Government required all the coal that could be produced, from the poorer mines as well as from the richer ones, did not one of the Commissioners suggest paying each mine owner not a flat rate for coal produced but a fixed percentage of profit according to the cost of production in each mine?"

Chairman Colver admitted that he had made such a proposition, stipulating that the coal, after it was mined, should not be sold by the individual mining companies but all turned over to one distributing company to be sold at a rate determined by the average cost of production.

"But," said Chairman Colver, "it has been proved since that I am crazy."

"Well, I am just as crazy as you are," Mr. Gantt replied.

I confess it took me some time to grasp the meaning of this "crazy" proposal.

"If profits were based upon production and not upon competition in selling," Mr. Gantt explained, "there would then be only one way to increase profits. That would be through increasing production. Maximum production of wealth, or 100 per cent efficiency, would become the goal of all industry."

That is the crux of the Gantt idea; not to remove the incentive of gain but to base gains upon industry instead of upon idleness. Moreover, he

is not advocating it merely as a Government measure, but has already persuaded some of his clients to accept it as a business principle.

"Few of our business men," he explained, "have ever known what it costs to produce an article. They are the victims generally of a false cost-keeping system. When an accountant wants to figure the cost of an article, one of the first things he does is to throw in all the 'overhead.' Even though nine-tenths of the plant is absolutely idle, 100 per cent of the whole investment is charged to the 'cost of production.' This is altogether misleading. If I rent two apartments in New York at \$100 a month each, then live in one and keep the other closed, I cannot honestly claim that it costs me \$200 a month for a place to sleep.

"All our accounting systems should contain another column, one showing the losses incurred through shutdowns, strikes, the idleness of any part of the plant, experiments that do not work, failure to get supplies, anything and everything which is not rightfully chargeable to the actual process of production. In one column, then, the actual cost of production would appear; in the other the manufacturer could see at a glance the tremendous cost of non-production and would be anxious to repair the leak. The reason he doesn't repair it oftener to-day is that his accountants have covered it up with pretty figures.

"Henry Ford," he added, "built up his business

largely because he wasn't trying to build up his business but devoted himself to building up his industry instead. Rivals were trying to see how much they could get for their product; he was trying to see how economically he could produce it so that the public might get something it wanted at prices which it could afford to pay.

"Maximum production, then, was the only answer; and through maximum production he was enabled to sell so cheaply that he couldn't keep up with his orders. This is one of the greatest business principles ever discovered. My suggestion is that we apply it to industry in general.

"I do not know how Mr. Ford's labor policies will eventually work out, but it is certain that the most effective system of production is that which holds out the greatest opportunities to all employees.

"Industrial democracy will look upon every worker not as an attachment to a machine but as a unit in the organization. We do not need a revolution. We do not need a class war. Most people will work for the common good if you give them a chance. The trouble is that we have been clinging to an autocratic system under the mistaken notion that it at least was good for the autocrat. The fact is that it isn't. Democracy is far better for all of us.

"Sentimentally we believe in democracy, but we

don't know what a great thing it is. What we need is not more laws but more facts, and the whole problem will solve itself. Idle machinery means waste. Idle farms mean waste. Any unnecessary work is waste. Any labor of salesmanship required to overcome an inconvenient system of distribution is waste. And any system which fails to give every workingman and working woman full opportunity to earn all that he or she is capable of earning is waste. We do not need to imitate Germany. Industrial democracy will release our energies and make us the strongest people on earth.

"And such a democracy," Mr. Gantt concluded, "is the ultimate solution of the labor problem, for it settles the questions of wages, hours and unemployment. The present system commits us to a vicious circle of strikes, higher wages, then higher prices, with a consequent reduction in the standard of living, which leads to further strikes. This is because production is carried on for profit and profits are determined not by industry in production but by competition in selling. By simplifying distribution, pooling it, if you will, or socializing it—I am not concerned with the term—we will be able to arrive at the exact cost of production and will have an accurate and constant standard by which to determine the worker's worth.

"As to hours, often the shorter workday has

proved upon trial to be more efficient than the longer day. On the other hand, the worker would not be so concerned about hours if he were always working in his own interest."

"And unemployment?" I asked. "Wouldn't there be danger of a staggering overproduction?"

"We have never had real overproduction yet," the engineer answered. "We have never produced more things than we wanted. All that we have done is to produce more than we could buy. With distribution simplified, that bugbear would be removed. If the time ever comes that we have produced all the things we need, most of us won't mind knocking off work a while."

CHAPTER V

BUSINESS AS UNUSUAL

MR. GANTT spoke as a critic. To be sure he spoke as a patriot, too; for he was as interested as any American in the one aim of winning the war. But what he said was not official. I could find no department of the Government openly executing such a program. When I set out to find what was actually being accomplished in the reorganization of American industry, it seemed to me for a time that I was barking up an entirely different tree. It was an interesting tree, however, and I barked away.

The newspapers had carried a semi-humorous story announcing next year's styles in men's clothes. Belts and pleated backs would be cut out, it was duly decreed, the width of facings limited and patch pockets eliminated. Double-breasted coats would be strictly taboo. There would be fewer loud styles—a sort of sentimental concession, seemingly, to the sombre mood of war—and decided simplicity would mark the spring overcoat.

There was nothing momentous in the announcement and editors naturally turned it over to the most glib and playful write-up men they had. Few readers took the story seriously, and those who did had no misgivings that Americans would not generally be as well dressed as ever.

They were right. America continued to be well dressed. But because of the seemingly insignificant changes mentioned in this announcement, Uncle Sam saved enough cloth to make uniforms for more than 900,000 soldiers.

How he did it is a story of American achievement as inspiring as anything in the history of the war. For the same principle followed in the manufacture of men's clothes has been applied to practically every manufacturing industry in the United States. Hundreds of millions of dollars have been saved, not from the elimination of non-essential industries, but from the elimination of non-essentials in essential industries. It has all been accomplished without coercion and without catastrophe to trade. It has also been accomplished without noise and almost without publicity.

It was only after repeated efforts that I succeeded in getting the story from A. W. Shaw of Chicago of the Conservation Division of the War Industries Board. Mr. Shaw is the man to whom Bernard M. Baruch, Chairman of the War Industries Board, has assigned the task which was defined by the President as "the studious conserva-

tion of the resources and facilities by means of scientific commercial and industrial economies."

Mr. Shaw is a business man. He was a university lecturer on business administration and an enthusiastic believer in the American business man. At the outset of the war people told him that Americans were lacking in one essential quality necessary to its successful prosecution. They were geniuses in their own way; they were more alert, perhaps, and had more initiative and more daring than the business men of any other country: but they had never learned co-operation and it was inferred that they had no capacity for it.

Mr. Shaw did not believe it. Business management, to him, was nothing but the co-ordination of all the forces in an organization, and American business men had shown ample capacity for that. If the co-operation had not extended beyond the limits of their business enterprise it was because Americans had never before been fired with a common purpose.

"The situation was urgent," said Mr. Shaw, "and every wideawake business man appreciated it. The Government needed twenty billion dollars' worth of materials and supplies to carry on the war; and just at the time that it was making this hitherto inconceivable demand it was taking millions of producers from the productive forces and placing them in the military ranks. Those who were left would not only have to furnish the

sinews of war, but they would have to feed and clothe the Nation in the interim. And not only were the business men confronted with the necessity for increased production with decreased manpower, but they were all called upon to finance the war. They would have to carry on their business with far less capital in order that they might invest in Liberty Bonds, keep the Red Cross going and back up all the other war activities."

Cloth in unprecedented quantities would be needed for uniforms, all sorts of chemicals for munitions; iron, steel, copper and tin; lumber for ships; coal for fuel; there was not a basic industry in the country that would not be drawn upon to the utmost limit. Business as usual was out of the question, but could the business man "carry on"? That was the problem. Could economies be devised, methods of retrenchment which would enable the manufacturers to get along with less help and less capital and still keep their business organizations intact for renewed activities after the war?"

Now for a word of enlightenment to those who supposed that Americans were incapable of co-operation:

"We had none save European precedents to follow," said Mr. Shaw, "but we felt that there must be a really American way to meet the situation. So we went to the manufacturers and merchants and conferred with them as to the essential

needs of the trade. They discovered ways to economize. They discovered ways to simplify both production and distribution. They discovered ways to get along with far less capital even while they served the public as efficiently, to all practical purposes, as ever before. And the economies they inaugurated have saved raw materials for the war as effectively as any arbitrary Government decree could have done. But they have done more than that. They have released capital for Government use. And, instead of essential hardships being inflicted on the consumers, the average American hardly knows that a tremendous change has been made.

“Pity the poor housewife who sets out to buy an iron bed next year. She will have only thirty styles to choose from, but it is hardly probable that any Americans will shed tears over that. The fact is she won’t know anything about the deprivation herself. She hasn’t been accustomed to seeing more than thirty styles of iron beds and she will be blissfully unconscious of the fact that 570 styles have been removed from the market.

“But while she won’t know the difference, the American war machine will. It not only requires more capital to manufacture 600 styles, but it takes much more capital to deal in them. More to the point still, it takes quantities of precious iron ore from the mines which will now be used for making shells.”

That is the strictly American plan followed to conserve the raw materials of the Nation for the needs of war. There was no iron fist at work, at least not in sight. The Government did not issue an arbitrary decree that there should only be so many styles of iron beds. Instead, the Conservation Division of this War Industries Board sent a questionnaire to the iron bed trade asking for information as to how many styles were on the market, how much material was used in each and how many styles could reasonably be dispensed with for the period of the war.

“Finally,” said Mr. Shaw, “the bed manufacturers agreed that they could continue business with just thirty styles, and so thirty it is. Cutting out designs which were unnecessarily heavy was only a part of the saving. With 600 designs there were any number of sizes into which the iron manufacturer had to roll the bars to supply the bed trade. Each change involved a changing of the rolls, a process taking five or six hours, and a consequent interruption of production. Under the new system the manufacturers agree to use certain standard-sized bars, thus allowing for increased production of steel. But aside from that, the bars being of standard size, it is not necessary to keep as great a quantity in stock. Formerly the manufacturer had to keep so many different kinds of bars in stock that a large part of his capital was always tied up in raw material. Now the

iron which he does not call for may be used to make guns, and the money he saves by not having to purchase it may go into Liberty Bonds.

“The capital saved by the dealers is perhaps more easily understood. Formerly dealers were compelled to carry a large line of goods in stock, as customers will naturally go where they can find a large variety to choose from. Now it takes much less capital to cover all the probable demands that will be made on any dealer. He can buy Liberty Bonds with the savings and even if his salesforce has been depleted by the draft and he finds it impossible to get new help, his business will not be stopped.

“The first and perhaps most important saving is the direct saving of iron in the manufacture of beds. It is estimated that when the new designs are finished there will be at least 30 per cent less steel employed in the industry. But business is interdependent, and a change of this sort not only affects every process in production clear back to the mining of the ore, but it also affects the progress of other industries. One of the great difficulties in war time is interrupted transportation and scarcity of materials because of slow deliveries. In other countries the dealers scrambled to stock up with large stocks, a perfectly natural thing to do, but one which tended to hamper war activities. Our tendency is to simplify the stocks and loosen capital instead of tying it up, and thus

relieve the banks of the heavy load of extra lines of credit."

"Will they go back to the old system after the war?" I asked Mr. Shaw repeatedly. But he would not answer. He would not discuss the question, even academically. His only function, he said, was to help conserve materials and supplies to send to France. As for anything beyond that, any economist is entitled to enter any guess that suits him.

But every branch of industry was being analyzed, with the object of eliminating every non-essential in it; saving non-essential materials, abolishing non-essential labor and freeing non-essential capital.

Paint manufacturers had heretofore put out from fifty to one hundred shades of house paint. The limit was now reduced to thirty-two shades for the whole industry, with the same results in kind if not in degree that followed the changes in the manufacture of beds and clothing. There were now ten grades of architectural varnish instead of fifty. The manufacturers began also to cut out all half-gallon cans and all cans less than half a pint, and in certain grades all pint cans as well. This not only saved the tin for military needs, but enabled dealers to do business with less paint and less capital.

There were 287 sizes and types of automobile tires. These were to be reduced to thirty-two at

once and later to nine. The furnace manufacturers agreed to cut out 75 per cent of the sizes and types of furnaces. A similar simplification was agreed upon in the manufacture of agricultural implements without depriving the American farmer of a single necessary tool. All down the line of American industry one could find some reorganization effected or about to be effected through "agreement" with the Conservation Division of the War Industries Board.

I said "agreement" because this actual fusing of Government with governed was reflected in the very atmosphere of the Board's headquarters. Like all the other war offices, it seemed altogether free from the traditional "departmental" heaviness. Instead of weighing one down with a sense of solemnity and red tape, it buzzed and hummed with intimate and personal human interests.

The economies I have mentioned constituted only a part of the work. Economies in distribution were also being worked out. Wherever possible, agreements were made among small-town dealers to inaugurate co-operative and collective delivery systems, often saving 60 per cent of the delivery costs and allowing them to sell at lower prices. In the big cities the one-delivery-a-day system was being urged and all retailers asked to curtail the "return" privileges. Wherever possible, also, transportation adjustments were taken up with the Railroad Administration: and

all of this not through Government rulings but through co-operation of the American people with and in their Government.


That was as far as I could go in my interview with Mr. Shaw. What did it all have to do with the reorganization of industry after the war? Was it not simply a story of "carrying on" until business as usual could be resumed? Or was it part and parcel of a great and irretrievable change in the whole commercial and industrial life of the United States?

I promised not to answer any of these questions, but I have no objections to my readers answering them if the light is strong enough.

In the first place, I wonder, what did the War Industries Board do with all those talking-points?

Did any of my readers ever sell iron beds—any one of the 600 styles? If he ever did, he will know what I mean by talking-points. Every iron bed, as every salesman knows, is the best iron bed that was ever placed on the market. Usually it is more than that. Quite probably it is the only iron bed upon which a human being can reasonably hope to sleep in comfort; and each bed is equipped with at least ten talking-points by which an ordinarily good salesman should be able to convince any open-minded retailer to that effect.

How, for instance, could one get a night's sleep on a bed which does not have these two perfectly



good brass knobs at the extremities of this cross-bar? And look at the way this caster is kept from falling out: imagine the troubled dreams one would have if it were kept from coming out in some other way!

And yet 570 styles of iron beds—5,700 talking-points—were here ruthlessly sacrificed to the needs of war.

And a similar change was being effected in every other industry in the United States. Instead of having all this piffle for salesmen to talk about, things were being standardized everywhere so that they could be produced and distributed with the least possible outlay of capital and labor.

There are certain things that can't well be standardized: wives, for instance, and religions, songs, pictures, houses and books. Our tastes differ. But when it comes to underwear, while we have our individual leanings toward linen, wool and silk, I doubt if anyone who has found a satisfactory grade, cares a hoot whether they are X. Y. Z.'s or P. D. Q.'s. We want good furnaces, good matches and good tin cans but few of us are even acquainted with the sacred trade-marks which have formerly stamped each one of these commodities as the best.

It must have taken an army of salesmen to sell 600 kinds of iron beds, especially when most of them were so nearly alike that the elimination of 570 kinds didn't disturb anybody's sleep. When

business is being done on such a scale, it wouldn't be surprising to discover that the sales department is really the biggest department in our industries.

And, come to think of it, that is exactly what Mr. Gantt had emphasized. It is possible that I wasn't barking up another tree after all. In the system of production as we had always known it, more capital and more human labor had been expended in selling our products than in producing them. Under the pinch of war necessity, however, we discovered that most of this selling-force was non-essential: that is, if business men and manufacturers could learn to co-operate, we could still make iron beds and everything—all that the people actually want to buy and in as great a variety as they care to choose from—at a fraction of the labor and expense it required before. Our manufacturers and business men have discovered this. Would they, if they could, return to the old system? Or will they not, as a matter of necessity, continue the more economical method?

These economies, I grant, have not yet shown themselves in price reduction; for America is paying for the war. But America, it is now conceded by all, could not pay for the war, and could not even fight, unless some such reorganization had occurred.

Just one incident which may or may not be apropos. When the new system had got under

headway, I visited certain acquaintances in several Metropolitan advertising agencies.

"How is business?" I asked.

"Rotten," was the uniform reply.

This from the very high priests of competition.

CHAPTER VI

PARKER ON PRIORITIES

"PARKER on priorities" may not sound at first like a gripping human interest story. We can hardly imagine Broadway staging such a theme—that is, not yet. But wait. Broadway had a new lease of life when it first discovered Wall Street, and made it plain to us who did not know that here was a struggle of Titans to control the whole stream of human life throughout the Nation. But one day Wall Street ceased to count. The War Industries Board had usurped its throne. **"The Market"** had become almost an empty phrase; the Titans of that day were far more interested in **"Priorities."** And there was no more dramatic figure in transitional America than the Commissioner of Priorities of the War Industries Board, Judge Edwin B. Parker, of Houston, Tex.

Let's drop the word **"priorities"** until it comes more natural to us. Judge Parker is the man whose business it has been to save business from the business interests. He is the man who has been telling manufacturers whether or not they can go on manufacturing. He is the autocrat who has

been abolishing our great autocracy, the autocracy of American industry; only, of course, for the duration of the war, unless—but that's another story.

In order to understand Judge Parker's job it is necessary first to understand the United States of America away back in the old, old days—as it was, say, in the far-away year of Our Lord 1916.

America then was a great workshop. Almost all of its 100,000,000 people were busy at something. But it was a funny workshop. People weren't doing things because anybody in particular wanted them done, but because they wanted to make some money. They were making things, to be sure, which everybody had to have; but there seemed to be no plan, no system, no co-ordination in their work. There were times, for instance, when millions of people wanted shoes and clothing, and these were the very times when the shoe and clothing factories would be found shut down. But when everybody was prosperous and had money enough to buy all they wanted, those factories would drive ahead at top speed again.

Those were the days when "The Market" ruled. Individually we had plenty of ambition. But we had no national aim. In 1917 we acquired a national aim.

There was an outlaw some 3,000 miles away who was shooting up the world. He was armed to the teeth. We were unarmed. He liked war. We

didn't. He was brought up to fight. We had to learn. And it was up to us not only to fight the greatest military power that had ever arisen on earth, but to go across the ocean after him and fight him on his own home grounds. It was the biggest job that any nation ever undertook. In order to go through with the job we had to build the greatest war machine on earth, and we had to build it in a hurry.

For, as Judge Parker remarked at the outset of my interview, "the Kaiser wouldn't wait."

It was then that we discovered what a funny workshop we had. About the only big job we had ever undertaken as a united Nation before was to dig one ditch, and that when no one on earth was trying to stop us.

The army needed steel for projectiles. The navy needed steel for ship plates. So did the Shipping Board, for the ships that were to carry our troops and supplies to fight the outlaw who wouldn't wait had not yet been built. So the army and the navy and the Ordnance Department and the Emergency Fleet Corporation all went to "The Market."

"We want 16,000,000 tons of steel this year for projectiles and ship plates alone," said the planners of the war machine.

"We're out of steel," said "The Market."

"The United States," Judge Parker explained "had been producing only about twice that much

annually, and only a trifling percentage of this had gone into ship plates and projectiles. But the war machine had to have the steel and other supplies, so the various departments began to commandeer them. Then the army might find that it could not get some supply required for immediate use because the navy had previously commandeered it, while private industries doing work essential to all departments might be cut off entirely from necessary war materials. That is why the Priorities Division of the War Industries Board was founded.

“After that no commandeering was done except by order from this division. We were to be kept in touch with the whole war programme daily and would be in a position to know which of the rival claims were most immediately urgent. All the claims were valid and all the materials asked for were essential; but it would do no good to pile up equipment to send to France if there were no ships available to transport it. Ship plates then might take precedence over projectiles. To-morrow the whole situation might change and some other materials be given the right of way. Only with one agency having complete responsibility could the even flow of supplies be secured.

“Immediately, however, it became apparent that the scope of our work must be increased. The claims of private industries doing war work were as important as the claims of the Government de-

partments. Heretofore their only way to procure supplies was to bid for them in the open market. The highest bidder got the supplies, regardless of the urgent importance of his output to the Government. We stopped that practice. We had to stop it. We had to see to it that in the production of everything urgently needed for the war priority could not be bought. Hereafter the Government should be given first consideration—not only which industries but which individual factories. A factory in Newark might be producing the same article as a factory in Omaha. But the Newark factory might be producing an ample supply to fill all the Government requirements, and since the Government must economize on transportation, the Newark firm would be given priority and the Omaha firm compelled to take its chances with whatever it could get. On the other hand, it might be far simpler to ship the finished product than to ship the raw material, and it is possible that the raw material might be found in the West. In that case the Omaha firm would secure priority and the Newark factory would have to shift for itself.

“In this designation of what is most essential, individual interests must not be considered. If it were essential to destroy a great industry in order to defeat the Kaiser, that industry would immediately be destroyed. We wouldn’t ruthlessly kill any industry, but if the Nation’s safety demanded

it we would let it die—by giving priority in material, supplies, fuel, power, transportation and labor to those industries which were meeting the Government's immediate needs. Our restrictions, however, as the business men of the Nation know, are not destructive. We are here not to destroy industry but to protect it.

“‘Priority in labor!’ Felix Frankfurter, Chairman of the Labor Policies Board, by virtue of his position, became member of the Priorities Board; the Railroad Administration, the Food Administration and the Fuel Administration, as well as the Army and Navy Departments, the Emergency Fleet Corporation, the War Trade Board and the Allied Purchasing Commission having similar representation. Every need of war was to be balanced here against every other need; but one can hardly realize how far-reaching the decisions were until he analyzes that term: ‘Priority in labor.’”

“At the outset of the war when any industry needed materials and supplies it went to ‘The Market.’ And when it needed help it went to the labor market. Not so any longer. With the creation of the Labor Policies Board came the institution of the National Employment Service and the executive order to all war industries to engage their help from that source alone. Before this, patriotic employers had started to build ships by hiring labor away from the munitions industries.

Then the munition makers would hire them back, or hire others from the mines and railroads. Everybody was breathlessly busy getting ready to begin some job, but nothing was being done. Wages were jumping daily, with prices always jumping a little beyond their reach. Under the new conditions, Uncle Sam came very near determining what industries should be entitled to a labor supply; and the secret of the whole new order is found in this seemingly dull, dry word, 'Priority.' "

"Doesn't this come pretty close," I asked Judge Parker, "to complete autocratic control of American industry? A business lives or dies on your say-so. The millions toil where you give them permission to toil. The manufacturers make whatever you tell them to make, and make it out of whatever materials you allow them to have. No American runs his own business any more. There is no more freedom of contract. I admit that no one is complaining, and it seems obvious that the war could not have been carried on without resorting to some such method; but isn't it autocracy just the same?"

"It comes very close to industrial democracy," Judge Parker answered. "We are not ruling by any Divine right either of heredity or ownership. We are simply registering the Nation's will. America has but one aim to-day, and that is to defeat Prussianism—the rule of the irresponsible.

Every ruling made by this War Industries Board is determined by the necessities of war, and it is the decree of the whole American people that every interest in America shall be subservient to that.

“Democracy is beginning to mean something more than the right to vote on questions which we but vaguely understand. It is coming more and more to mean actual participation in the things that count. A group of people actively coming in out of the rain or building a house to shelter them from the storm are really more democratic, taking it by and large, than the group which contents itself with voting for fair weather. The democracy which we are enjoying to-day is the participation of all the people to their utmost capacity in those aims and objects which all the people hold most dear.”

“But how do the business men take to this super-regulation?” I asked.

“In ninety-nine cases out of one hundred,” he answered, “they meet it with spontaneous and enthusiastic support. There is the exceptional case of the man who is determined to ‘run his own business,’ regardless of the Nation’s crisis and her most vital needs. But would you call such a man democratic? It seems to me that he has been a petty autocrat for so long that he is unable to break the spell. He has been using our precious natural resources, employing human beings in his service and holding a little monopoly, perhaps, in

some necessity of life; and still for all this he will acknowledge no responsibility. Such a man is incapable of co-operation and therefore can know nothing of democracy. He represents the idea which America has set out to destroy—the rule of the irresponsible.”

“But aren’t there a lot of real patriots,” I asked the Judge, “who are willing enough to sacrifice for the war but still fear these sweeping readjustments which take their private enterprises so completely from their control?”

“Most of them realize,” he answered, “that it is the only way to defeat German imperialism, and that is uniformly sufficient. But very many go further than that. They realize that it is the only way in which their enterprises could be saved from complete destruction. Without this co-ordination and concerted action not only the non-essential but most of the essential industries would have gone down to ruin. Now, instead of ruthless commandeering of Government supplies and a never-ending orgy of higher prices for everything else, we have secured the voluntary co-operation of all the industrial interests in the country toward the working out of an orderly plan. They must all sacrifice. They must all agree to get along with the least possible apportionment of every material the Government may need. But the system is enabling them to get along, and that is something which they generally appreciate.”

The Commissioner spoke of this co-operation as "voluntary." Just what he meant by the word is best explained by an incident which occurred a few days before our meeting. A hundred representatives of one industry were gathered in conference. The Commissioner had outlined to them the needs of the Government and explained how impossible it was for them to procure half their normal supply of certain materials. They must limit their output to such a figure. They must manufacture certain parts hereafter with substitute metal. They must agree to these and those rules, and they must do it voluntarily; but if they would do it the Priorities Division would give them such and such a rating.

They were all agreed, but one man was dubious. Shouldn't every person in the industry, he asked, be compelled to follow these rules? Two or three of the largest men in the industry, he said, were not present; they might not abide by the rules and would have the others at their mercy.

"No," the Commissioner explained; "we will not make it compulsory. If you agree to these conditions, you will get your rating entitling you to this limited supply of raw material, also to the employment of so much labor and to your quota of fuel, power and transportation. If they do not agree, they won't get the material, the fuel, the power, the labor or the transportation. But there will be no compulsion."

I am not trying to write a textbook on priorities, and no one will learn from this article to what class any particular commodity should belong. A commodity, in fact, might be absolutely essential to the army needs and not get any favored rating. Toothpicks, I fancy, belong to such a class. They were never specially favored, because the industry didn't need coddling; or, as Judge Parker would say, "did not require the artificial stimulus of priority."

But almost every industry in America was vitally affected by the rulings of the Priorities Commissioner. Not only did the army need some product from almost every industry, but its success was seen to be inextricably interwoven with the needs of the folks at home. No one in the army wears baby clothes; but if we were to quit clothing the babies when the babies need it the army might as well quit too. If the folks at home stop eating, the army will soon stop. If locomotive firemen can't get gloves, it would seriously interfere with transportation, and transportation is vital to an army's success.

Practically every industry in America, then, soon came under the control of the War Industries Board, and with this change came an industrial transformation of the United States.

"Before the war," said Judge Parker, "the test by which the continued existence of an industry was determined was, 'Does it pay? To-day our

only question is, 'To what extent does it serve the Nation's need?' Only the war could have brought about such a change, for without such a change the war could not have been carried on. The course before us was very clear. We had to quit producing simply for private profit and begin to produce for national use. We were compelled to produce far more than ever before, even while our manpower was being drafted into military service. We must exercise every possible economy, take up every lost motion and concentrate and co-operate in every possible way. Through our Conservation Division we found that many trades could be supplied with 60 to 75 per cent of the material normally used. By standardizing styles, eliminating non-essential parts and introducing other economies, the manufacturers arrived at this minimum with which they could continue to supply their customers; then it remained for us to tell them what percentage of their customers, even under these conditions, they could hope to supply.

"This meant more than curtailing non-essential industries. It meant curtailing the output in some of the most essential. Nothing is more important, for instance, than the raising of food, but the agricultural implement industry has had its supply of steel reduced. In spite of this reduction more food than ever must be produced, a problem which calls for still further co-ordination and economy. Some way must be found to use the machinery in

existence to more nearly its maximum capacity than before; and there will undoubtedly be a general overhauling and repairing of broken machines which would normally be scrapped.

“I say normally when I mean the normal condition of prodigious waste and extravagance which characterized America before the war. America is now learning to save in a thousand ways. Stoves may be essential, but new stoves are not necessarily so. This winter the old stoves are coming out of the cellars, old furniture will be repaired, old clothes will be made over into children’s suits. All America is in this war, and it is certain that all America will co-operate, when it is shown how, just as loyally as our business interests have done.”

CHAPTER VII

HOUSING THE WORKERS: THE GOVERNMENT CLOSE-UP

SUPPOSE, in the year of Our Lord 1913, some Congressman had introduced a bill appropriating a hundred million dollars to build homes for workingmen. Wouldn't it have been a great joke? To be sure, high-brows and theorists throughout the country might have advocated it, and if anyone took pains to read their arguments he might find that they were logical enough: but can we imagine the United States of America taking the proposition seriously?

In 1918, the Government appropriated \$100,000,000 for this purpose, and it made only an item in the daily news. For housing, moreover, not for Uncle Sam's departmental employees but for wage-workers in a hundred industries still nominally owned by private capitalists; by men who, to all outward indications, were running those industries as a business proposition and actually drawing private profits.

Even in 1918, "The Government" was still a big and vague and far-away term in our minds:

and a workingman's home was such a decidedly intimate and local thing that I became curious as to how the two could fuse. Just a few minutes in the Industrial Housing Bureau, located in barn-like quarters over a garage on G Street, and I had my answer. In no place in Washington did I get a better example of the change that was coming over all America. For the Industrial Housing Bureau, like a hundred other Government enterprises then revolutionizing America, was not doing so out of dogmatic conviction that America needed a revolution.

"Our only thought," said Assistant Director Joseph D. Leland 3d, in answer to my inquiries, "is to do our share toward winning the war. We aren't charged with using up an appropriation, and we won't use a dollar of it that isn't necessary for war work alone. But if it should be necessary to use a billion, there is little doubt that we could get it. If we were charged with putting over some experiment, with foisting some pet housing scheme upon America or uplifting any class in our community, we might attempt to do so—\$100,000,000 worth. It happens, however, that we are charged with something more specific. The Government must have ships and shells and cloth for uniforms. These must be made in shipyards and factories and the workers in these industries must have a place to live. Cities like Bridgeport have almost doubled their population overnight.

They have not nearly doubled their housing capacity. Workers by the thousand go to these places and find it impossible to bring their families. So they stay only a few weeks and quit. This means a terrible waste in labor turnover at a time when no waste of labor can be tolerated. If employers for this reason find it impossible to keep their help, they are not slow in letting us know about it."

Right here Mr. Leland explained a vital difference between his bureau and any mere uplift agency. This bureau was a part of Uncle Sam's war machine and not an independent undertaking functioning as government.

"It doesn't follow," he said, "that we must go to work building houses because a concern is back in its war orders owing to failure to house its workers. It may be that the Government is not immediately pressed for this particular product. It may be, for instance, that the concern is manufacturing gun-carriages, and while the Government needs all the gun-carriages it has ordered it may not have ships available to carry them to France. At the same time another firm manufacturing some essential supply for our torpedo boats in action is also behind. The problem cannot be solved by local action and the War Industries Board must establish priority.

"And even if the Housing Bureau is called to act, it doesn't necessarily mean that we shall begin to build. We know what the need is and it is

to meet that need that we are here. The need may be so urgent that there is no time to build, and the situation may be met in another way. Sometimes a community needs a little educating. Sometimes there are enough houses in the town already, if the owners and occupants would only consent to have them filled with workingmen. So we hold public meetings, often in the churches, and explain the patriotic necessity to those who have extra room.

“Needless to say, under such circumstances American homes usually open their doors. They don’t do it simply to accommodate a workingman; and the workingman who comes in does not feel that he is the recipient of charity. They do it in order to help beat the Hun, and both worker and householder recognize the dignity of the undertaking.

“Sometimes we discover that the problem is not so much one of housing as of transportation. The Watervliet Arsenal, for instance, was in a bad way for help, when there were any number of vacant houses in Albany, a few miles away. By arranging proper transportation to and from the districts concerned, the emergency was quite adequately met.”

Yet Mr. Leland and most of the staff who were going to such extremes to make building unnecessary were really housing experts. But they were war experts first.

"Not one dollar of capital and not one day of labor should be wasted," he said. "And not one foot of lumber. The Government needs everything that can be saved in order to prosecute the war. The money we are using comes from the sale of Liberty bonds, and it would be treason to the country and treason to the workingmen who sacrificed to buy those bonds to use it up in pretty experiments."

This did not mean that the bureau wasn't going to spend money. It was already building houses—thousands of them—and they were not stingy little shacks either.

"We reached the conclusion at the start," said Mr. Leland, "that the best way to conserve labor was to assure adequate and comfortable home conditions. The worst waste imaginable would be to save money at the cost of the workers' health and comfort. They must not only be housed, but housed in such a way that they shall always be able to work at their highest capacity."

Did this mean that the bureau had worked out some "ideal" housing plans? It did not. There was still as much difference as ever between idealism and practice—only the war seemed to have reversed their position. War practice was so far ahead of the old idealism that instead of getting nice and pretty and "model" houses the workers were now getting houses that they liked to live in.

This is the way the bureau went about it. When

investigation amply satisfied them that nothing but Government building would do, experts from the bureau "looked over the land" in a most practical way. They didn't consider "choice lots" two miles from a sewer, which might be a good place to live in when the town spread out. Gen. Pershing couldn't wait for that sewer and he couldn't wait for the town to square itself with the real estate prospectus. They seized upon available lots and found out immediately just what they were reasonably worth.

They examined the local assessments. They put the question to the Rotary Club, the Chamber of Commerce and similar local organizations. They had their own expert appraisers, too, and they also inquired of the titleholder.

"There's an option of"—the latter party might begin. But it didn't work. Options didn't count. What the Government wants is to ascertain the fair price, the owner was told. The Government didn't want to cheat anybody and it wasn't asking for any gifts. Usually that settled it. But if the real estate owner was still living in some age previous to A. D. 1918, he might hold out for the big money once supposed to accompany the sale of land to the Government.

Was the land condemned? It wasn't often necessary, said Mr. Leland. The Government knew what to do with such people and it almost always succeeded. No appeal was made to Wash-

ington. The neighbors were appealed to instead. "This is to win the war," they were told in a public meeting. "What is your idea of a fair price for that?"

"And very often," said Mr. Leland, "the owner voluntarily reduced his offer 50 per cent."

An old idea of democracy was a Government elected by the people to do things to the people until the next election. A new idea of democracy is that people shall do things for themselves. The Industrial Housing Bureau, although composed of housing experts, seemed thoroughly imbued with this new idea. It brought its expert knowledge to the people concerned instead of forcing it down their throats.

"What kind of houses are you building for the workers?" I asked.

"The kind they want," said Mr. Leland. "With due regard for the kind that they can afford to have."

"The first thing we do after we have decided to build is to look up the wage scale in that particular industry. We don't believe that a family can afford to spend a quarter of its income for rent, and experience shows that those who try it run behind. Under the declaration of the National War Labor Board it is agreed that each worker is entitled to a wage that will support him and his family in reasonable comfort, and so we figure upon one-fifth, not of the family's, but of

the head of the family's income, as being a reasonable amount to spend for rent. We figure that 5 per cent is a reasonable return to the landlord on his investment, and that a gross rental of 9 per cent should cover insurance, upkeep, risks and losses. Private landlords may have to figure upon 10 per cent, but the Government has no brokerage fees to pay.

"Where a worker's wages are \$20 a week, then, we figure that he can pay \$4 a week for rent. This is \$208 for a year, and \$208 is approximately 9 per cent of \$2,300, which is roughly the price of the house and lot this particular worker can afford to have. Just now the cost of materials and building is abnormally high, but the workers are generally working overtime. We allow for these abnormal conditions by basing our estimates upon five or ten-year periods."

"And the style of the house?" I asked. "Its architecture, its interior arrangements, etc?"

But the Government had not set out to make everybody live in a certain kind of house. The advantages of the community, its building supply, the necessities of climate and the artistic tastes of the tenants were all being considered. The Government had an unlimited number of plans for standard dwellings and was not in the position of a small speculator with one or two designs in stock.

"When our men want to know what plans to

follow," he explained, "we talk it over with headquarters. Headquarters, we find, are in the kitchen. The greatest housing experts we know are the housewives themselves. They know what extra steps they have to take and they know when things are handy. With a little expert guidance they can usually make their wishes clear and it is the easiest thing in the world to reach an understanding with them."

CHAPTER VIII

PREPAREDNESS FOR PEACE: THE RETURNED SOLDIER

I SAID I wasn't going to discuss the terms of peace. The *conditions* of peace seem to me to be much more important. The unconditional surrender of the enemy doesn't necessarily mean unconditional joy for the victor. For the victor must eat: he must live in houses and he must wear clothes. He must create wealth, and the creation of wealth to-day is a matter of social organization. Victory without social organization would spell defeat. No Nation can exist merely on conquest and such a victory would mean national death.

Secretary of the Interior Franklin K. Lane is surely not an alarmist. He is a wholesome, whole-souled Western American with unbounded confidence in the American people. He loved America before the war and he is sure that America will continue to be America. Vast changes, yes; but the suggestion that the new order of things made necessary by the war will automatically solve all our social problems is unthinkable to him. America will not become Utopia. And whether she will be a fairly happy country or a nation terribly

upset by disorganization and "social indigestion" will depend very largely, he says, upon the degree of our preparedness for peace.

"We were unprepared for war," he explained, "because the vast majority of the American people believed that war was almost impossible. But everybody believes that peace, not this year but some time, is not only possible but sure. If we do not prepare for peace in time of war we cannot plead ignorance. We shall stand as a Nation convicted of culpable negligence."

"But what preparation is necessary for peace?" I asked. I had thought about the question enough to recognize the need of a psychological readjustment. It would take some time, perhaps, before we could all get "oriented" to the change; and business would be confronted with a number of technical problems of trade and transportation. But would the crisis be comparable to the shock of war?

"In many ways," said the Secretary, "the crisis will be more acute. We went into war gradually. The clouds gathered a full year before the declaration of hostilities and it was another year before we could begin to fight in any consequential way. But peace will not come gradually. Two years was a marvellously short time to adjust ourselves to the change from peace to war. The readjustment, whether it comes this year or five years hence, must be a matter of weeks.

"We shall soon have 3,000,000 soldiers under arms. We may have twice, perhaps three times that number, before the war is ended. What are we going to do with this army after it is demobilized? Aside from this, a greater and greater percentage of our people are being employed in the war industries. What will happen when the wheels of our war machine suddenly stop? Do you know what happens in a small town when its main industry shuts down?"

Secretary Lane, I repeat, is not an alarmist. He does not despair of America's ability to reabsorb all its man-power into the industries of peace. We shall want food and clothing and the necessities of life as much as ever, and we shall want in addition a thousand luxuries made impossible by the war. But common sense demands, he said, that we make the great transition according to an adequate and carefully thought out national programme. No Nation can afford to muddle into war. We can no less afford to muddle into peace.

Could we have a general movement to return every soldier to the job he left? The Secretary pointed out that this would be impossible. One cannot put a chicken back into the egg it came from. In the first place, there isn't any egg left; and, secondly, there isn't any chicken. The chicken of yesteryear has become a fighting cock.

"And a very large percentage of our men in

service," said the Secretary, "will not return to their former employment. They have become rugged adventurers unfitted in many instances for the little pursuits which kept them occupied before. The great outdoors will claim them. They will demand an opportunity to live a bigger, broader, more meaningful and more independent life."

To give them such an opportunity is Secretary Lane's great plan. To invite them into a rich domain which the average American does not know that we possess. To give each one of them an opportunity to develop our natural resources for his own and the Nation's good, and for Uncle Sam to become his banker, his partner and his best friend while he is doing so.

Not socialism. Not paternalism. Uncle Sam, according to this American, must not insult his heroes by coddling them and nursing them and attempting to take responsibilities from their shoulders. But neither should he consign them to the unfenced wilderness to shift for themselves under impossible conditions, as he did with so many thousands after the Civil War.

Then we had a frontier—rich and arable prairies—which with adequate cultivation might easily make the settler rich. But the ex-soldiers to whom the domain was opened were not always in a position to take advantage of it, and discouragements and failures were more common than success.

“To-day,” said the Secretary, “we have no such public domain to give away; but we have a wealth of science and an understanding of human needs of far more value than the richest of material gifts. There are uncounted millions of acres in the United States, untilled and untillable to-day, which could be transformed into the richest home lands if we care to make the collective adventure. With Government co-operation, not with Government patronage, every returned soldier who felt inclined to accept it could be given an opportunity to carve out a new, successful and satisfying career. And incidentally, by adopting this plan, we could increase the national wealth and solve some of our knottiest social problems.

“It has been officially estimated that more than 15,000,000 acres of irrigable lands now remain in the Government’s hands. Large as the figure may seem, this is only an item in the resources to which I refer. There are seventy or eighty million acres of swamp and overflowed land in the country, most of which is privately owned, but which, without Government action, will always remain worthless. There are in addition perhaps 200,000,000 acres of cut-over land, once wooded, but now worthless or almost so, which nothing short of a gigantic national project could reclaim.

“Why not reclaim these lands? Why not transform them into fertile farms and beautiful homesteads? The war has taught us that we can do so if we will, and it has also taught us the neces-

sity. For the first time in our history we have been faced with the possibility of a shortage of food, and there is no other way to get food except from the land."

But would the soldiers, back from Europe, be willing to take up farming? Isn't there a danger that they would think of it as exile? Unquestionably the trend of American life has been from the rural to the industrial districts. How could we expect our bravest and best to give up their expectations for life in the cities with the rest of us, when it is so obvious that Americans are losing all taste for the farm?

"That," the Secretary answered, "is the most decisive argument in favor of a great national movement to encourage farming. Our population is drifting to the cities at an alarming rate. If we are to remain a self-supporting Nation, we must find out why.

"There is a reason, a sufficient reason, why the farms cannot attract the city bred and why they cannot even hold their own young men. But people do not flock to the cities because they prefer the smoke and noise. They do not do so because they like the subway and the tenements. And they do not always do so because they can make a better living in the city. They flock to the city in the main because the city seems to them to be the 'centre of things'—because the farm seems so far away from the life of the world. They go from

Jonesville to Chicago because Jonesville is an isolated place, having to interest itself with village gossip, while Chicago is in intimate touch every minute with New York, Washington, London, Paris and Petrograd. That is an attraction even greater, I think, than the hope of getting bigger money in the city.

“If we are to meet the situation before it becomes a crisis, we must not only turn our attention toward making agriculture pay, in the strictly economic sense, but we must see if the inspirations and attractions of world-life cannot be brought to the farm. I believe they can. I believe the economic and spiritual disadvantages of the farm can both be overcome by the almost magic touch of co-operation.

“In the early days of agriculture all that a farmer had to do was to farm; when he had learned that trade he could raise enough to keep his family in comfort, according to the standards of the times, and incidentally have a surplus which he could barter for luxuries. Now the farmer has to be an agriculturist, an engineer, master of several crafts, a chemist, a salesman and a financier. No one man, in fact, can perform all the duties necessary for successful farming to-day. He must delegate a part of them to experts in the various lines or be at the mercy of experts who are in the business for themselves.

“Until recently in America the farmer had not

learned co-operation; and one by one outside groups have taken over functions that belong of right to farming. One concern has made his tools and sold them to the farmer at prices which he had no part in fixing. Another group has built elevators and cold storage warehouses and erected a wall between him and the consumer. The functions of carrier, distributor and salesman have all passed to other hands; and with the passing of this economic power the farm became a place of spiritual isolation also.

“The co-operative farming enterprise should bring back this lost economic and spiritual estate. Mere Government subsidies could not do it. If any class of people get the habit of depending on the kindly ministrations of any outside force, nothing but degeneration can be expected. But while the Government may not safely subsidize, it may and must co-operate.”

Just how far, I wondered, would the proposed idea of co-operative farming go. Would 10,000 farmers pool their resources under the guidance of an agricultural engineer? Would they voluntarily abolish their fences and save the land, labor and lumber utilized in so protecting themselves from their neighbors to-day? Would they in turn unite in a greater co-operation to make their own machinery at cost? Would they leave it to the engineer to say what crops should be planted and where? Would all of one man's interest be planted

with corn, while another's whole farm was made a grazing ground for sheep? And would the individual farmer, instead of tending to his own cows and crops, take his orders from the community manager as to where his labor could be most efficiently expended?

But Secretary Lane would not answer. Carry anything to its logical conclusion, he said, and you will find yourself hopelessly wrong. Life is not logical. It must develop according to its own whims, and no system of economics is catholic enough to allow for every whim. Even the co-operative farm, which he considers a necessity now, will not, he believes, do away with individual farming. The old systems and the new, he said, would exist side by side, and no one could tell how far either one would go. He was but making a specific recommendation to meet two specific needs. Peace is coming some time and the demobilized soldiers must be taken into industry. Also, the Nation must be fed, food production must be increased; and aside from Alaska, which will continue to attract the lone adventurers, we have no frontier.

"We can not reclaim our swamps by individual effort," he said. "Working independently and in small groups, our returned soldiers could never make our deserts or our cut-over wilderness bloom. Nothing but a gigantic collective undertaking could accomplish this, and while the project would

pay rich dividends in the end, it would require so much capital that no private agency would ever undertake it.

“But the Government could undertake it on any scale it considers eventually most profitable. We are no longer scared at the thought of billions if we may only be sure that money is not wasted. All that I am asking now is an appropriation for preliminary surveys. Let us find out first just what our resources are and where such reclamation projects could best be started. Then, if we wish, we could reabsorb our whole army into productive industry, giving every man a good job in this reclamation work, building his home while he is helping to make the land productive and starting him on the completed farm with adequate equipment and capital. All this could be done without one taint of charity or without one thought of its being done in gratitude for his services in the war. Repayment could be arranged on a forty-year basis, if that should be considered best. The actual terms are a mere detail. The main consideration is that, if we make the arrangements without delay, we will be prepared for peace.”

CHAPTER IX

PROSPERITY PLUS HUMANITY

"PROSPERITY is staring America in the face. It looks sometimes as though we were going to be forced into it—that instead of being a prostrate nation made bankrupt by the war we shall suddenly find ourselves inheriting undreamed-of wealth, and we shall have the war to thank for showing us how."

This statement was not made for publication, and it took some urging on my part to get Walter N. Polakov publicly to subscribe to it. Walter N. Polakov is a worker, not an agitator; a scientist, not a reformer; a practical administrator, not a prophet. At this time he was employed in the most vital part of Uncle Sam's war machine—a power expert for the United States Shipping Board. We were talking of the ways in which the Government is conserving power, and the conversation necessarily involved some observations on our habitual waste.

"We are still wasting our national resources at a terrifying rate," he said. **"We are still giving**

bonuses for idleness, and we are still subsidizing inefficiency. But for the first time in history we are united in a desire to save, and there isn't much left for the engineers but to show how it can be done.

"Engineers have always recognized the terrific waste of natural resources and of human life involved in our industrial system, but those in control of the system were not interested. If we talked 'maximum production' to them, they were deaf, or else they were scared of an over-production panic. If we talked of the waste of human life, the discouragement of the workers and their consequent inefficiency, the captains of industry thought we were sentimentalizing and replied that 'business is business.' Although a few individual firms were enlightened enough to introduce a common sense and humane system in their industries, we couldn't inaugurate general and nation-wide economies. The result was that more than half of our machinery was always idle while the rest was running inefficiently; and more than half of our labor power was wasted, while more than half of that which wasn't wasted outright was used to very poor advantage.

"The American industrial machine was like a great plant, if we can imagine such a thing, where every department was antagonizing every other department, where the object of the boiler-room was to furnish as little power as possible at the

highest possible rate, and the object of the shipping room was to deliver the goods in the most roundabout way imaginable. The object of the business office was to fix the highest price obtainable; in other words, to make the distribution of the goods as difficult as it could be made and still keep the industry out of a receiver's hands. Neither prosperity nor humanity could result from such a system, and nothing but the grace of God and the illimitable resources of America gave us such prosperity as we had.

"The old system hasn't gone yet, but it is going. Our shipping department, the railroads, are no longer looking for the longest haul. No one is afraid of over-production, and business men everywhere are ready to talk co-operation instead of competition. Saving power has become a national ambition, not only saving coal but labor power as well. The whole industrial machine is taking on a new form; all the departments are becoming co-ordinated, and the friction which was once considered sacred (for competition is another word for friction) is being eliminated. Not anywhere as fast, of course, as we engineers would like to see it happen, but an inspiring start has been made.

"If the organization is continued to a logical conclusion," Mr. Polakov added, "it is bound to bring undreamed-of prosperity to all America. We shall be able to pay for the war in almost no

time and to enjoy life on a scale that the world has never known. For the labor of every man will be worth double or triple its former value, both to himself and to society at large.

"For the new system is not based upon the principle of speeding up and grinding down the workers. In every case of war reorganization, where industry has been quickened and something like maximum results obtained, there has been a decided betterment of the condition of the toilers. The ten-hour day has generally given way to eight; and there is every reason to believe that the six-hour day will soon prove still more economical. This is not because of any sudden surge of sentiment, but because the time has arrived when the nation, out of dire necessity, had to listen to her engineers.

"One great mistake that labor unions made in the past was their failure to employ expert engineers. They learned by bitter experience to employ their own lawyers, but they left engineering in the exclusive service of the capitalists. A good many of my colleagues, I am sure, would like to have the unions as their clients. Then, in conferences concerning better conditions in the industry, the labor engineer might easily prove to the company engineer just how the change could profitably be made.

"I have never known engineers to quibble long over questions of fact. Lawyers will, because the

law is not founded upon fact but upon opinion. Engineering is an exact science. Engineers are no brighter than the men of other professions, but when they are in disagreement upon a question of engineering it doesn't occur to them to take a vote.

"Perhaps I have had a sentimental leaning toward the shorter workday, but I couldn't advocate it as an engineer without having actual data to prove its advantages. In one power plant, where two shifts were working twelve hours a day at an average wage of \$35 a week, I inaugurated a three-shift system and the eight-hour day for experimental purposes. I knew that conditions in the boiler room were bad. I knew that the men were not burning coal economically. There was poor ventilation, no opportunity to rest and no chance to keep cool and clean. But I didn't make another change for several weeks, except to reduce the hours, while keeping the wages at \$35 a week. And still, without any improvements and with no instructions to the men to do their work in anything but their customary way, that boiler crew saved enough out of the coal bill to more than pay for the extra shift."

Substitution of exact knowledge for speculation is Mr. Polakov's specialty. But his discussion of waste involved so many seemingly moral and ethnical values that I found it difficult at times to retain his point of view. When he spoke of drinking habits among workers, for instance, I was ex-

pecting a moral lecture. It didn't materialize.

"Any plant which drives its men to drink," he said, "is quite apt to drive its owner into bankruptcy. I don't know whether temperance and efficiency can be brought about by legal statutes, but I do know that they can be brought about by decent conditions in industry. Overwork creates a craving for stimulants. Uninteresting work does the same. When wages are so low that men cannot afford good homes and good food, they are apt to spend what they do get in dissipation. The politicians prefer to handle the problem from the other end; but if the engineers were set to work on the temperance question I am sure that they would get some results. They would just naturally seek for methods that would make the job fascinating. And in so far as they succeeded, booze would lose its fascination.

"The frightful labor turnover at the beginning of the war taught us a lot of tricks about how to make a job attractive. I was investigating two plants, for instance, the other day. They seemed similar. Wages and working conditions were apparently the same in each. But at one of them the houses were full and the plant was running at top speed. At the other the labor was shifting, the houses were empty and the plant was falling behind the schedule.

"I asked the engineer in charge of the first plant for an explanation.

“‘It’s our moving picture theatre,’ he said. ‘Before we got that started and hit upon the idea of giving free tickets to the children, we had just as much trouble as the other fellows.’

“‘It is absolutely impossible,’” Mr. Polakov continued, “‘to separate the problems of industrial engineering from the human problem. You can’t separate our labor power from our other natural resources. You cannot conserve coal without conserving men.

“‘Coal economy is America’s most vital problem to-day. Every ton that is saved means more power to our guns and ships. I mean this literally, for the one paramount problem in our ship-building programme is the problem of power. But tired men waste coal. No plant can afford these days to have its workers poisoned by fatigue. Certainly the Government cannot afford such waste. Good seats in our boiler room, costing a few dollars, will save thousands. Shower baths, costing a few hundreds, will save still more. Good ventilation, good lighting and generally good treatment of all American workers will help beat the Germans. Everything that encourages American workers to stick to their jobs is a direct drive at the Kaiser; while everything that adds to the labor turnover and makes a drain upon our coal supply is aiding and abetting the enemy.

“‘We are glad to see the Government get after the profiteers,’” Mr. Polakov added, “‘but our

thieves haven't helped the Kaiser anywhere near as much as our honest and unquestionably patriotic business men have aided him."

It seemed like an extravagant statement, but the power expert repeated it. He had been spending several weeks in Pennsylvania studying the coal consumption in the various essential industries, especially in the public service corporations.

"In one place," he said, "I found a rapid transit company demanding an increase in fares because of the greatly increased cost of running the plant. Their bookkeeping was all honest and above board. Their figures didn't lie. They were actually paying out more every day than they were receiving in fares, and the gentlemen of the Public Service Commission couldn't deny it.

"But that company was using eight and one-half pounds of coal per kilowatt hour of energy, when a fairly economical rate is one and one-half pounds. Their explanation was that they were operating with an obsolete plant. Actually the company was getting about six times the coal it was entitled to and demanding a cash bonus from the public besides, as a reward for its inefficiency and extravagance.

And many of these companies which were so recklessly wasting coal had so little regard for the human life they were exploiting that their boiler rooms were filled with the lowest grade of inefficient and hopeless men, mostly negroes, who

took no interest in their work and quit their jobs at the earliest opportunity.

"Coal," he added, "is the very foundation of American prosperity. The fact that one is running an 'essential industry' should not give him a license to waste it. Coal should be sold, in these days at least, only to those organizations who prove their ability to use it. We don't give guns to our recruits until they have learned something about how to handle them. Why should we waste our most important resource by giving the largest quantities to those who use it most wastefully?"

Mr. Polakov was not aiming his criticism at any branch of the Government. No one in authority, he said, could be held accountable for this common practice. It was our customary way of doing business, and it represented our common attitude toward industrial matters. Industry, he pointed out, had never before had maximum production as its goal. As a Nation, we were making things to sell, not to use; and if business systems were honest the public did not concern itself with whether or not they were extravagant or how much of our national energy was lost in competition.

"We instituted Public Service Commissions," he said. "But it never occurred to us that they could have any other function than to secure service for us at a reasonable return upon the investment. They could grind their help to the lowest degree of inefficiency, and if the workers

didn't actually rebel en masse, the public was satisfied. On the one hand, we seemed to forget that human labor is the public, and on the other we did not hold out any incentive to economical operation.

"There should be a new kind of Public Service Commission instituted now. This commission should be composed of those who know how to operate our industrial machine at the lowest cost and with the most efficient (which is the most humane) utilization of our labor power. And if any concern confesses itself unable to meet these practical human standards, it should be accounted bankrupt and the industry should pass to other hands."

Does this seem visionary? Not to-day. Mr. Polakov made this recommendation to the Fuel Administration very early in the war, and the Fuel Administration eventually began to act upon it. All industries were required not only to prove that their product entitled them to priority in the fuel supply but to account to the administration for the amount of fuel consumed.

"What we should have," Mr. Polakov told me, "is a National Power Administration, a commission clothed with authority to cut off fuel and power from any concern which habitually wastes it or unduly exploits the labor power under its control. This would mean a quickening of our production to an almost inestimable degree by fur-

nishing a general incentive to manufacturers to produce and sell everything as cheaply as possible. While the chances for profit would probably be greater than ever, the chance for speculation would be almost eliminated.

"Henry Ford," he explained, "discovered that he could bring automobiles within reach of his people simply by securing maximum production. If industry were controlled generally by production specialists instead of by market specialists, the same result would be more often attained. Everybody would be busy producing things the people want at prices which they can afford to pay.

"In the cost of an article, as manufacturers have heretofore been reckoning cost, the whole cost of a half-idle plant was included; while if the plant were not idle the cost might be cut in two and the producer realize a greater total profit than before. There is no good reason why the consumer should pay such a premium on idleness. If a landlord refuses to rent half of his houses, he can't expect his tenants in the other buildings to pay him double rent.

"It took the war to teach us the necessity for economical production; and it is obvious that we would have been helpless to-day if we had continued to depend for our vital needs upon a disorganized scramble for individual profits. But such a system is no better for peace than it is for

war, and I cannot imagine that we shall return to it."

"Just one more question," I asked. "How about that six-hour day?"

"Coming," he said. "Still, I haven't yet been able to demonstrate conclusively that men can do more work in six hours than they can in eight. Positively they can do more in six than they can do in ten or twelve; but, owing to certain conditions in the plants where I tried it out, the six-hour experiment is still inconclusive.

"However," the engineer concluded, "if America seriously sets out to eliminate ALL the friction in her industrial system, we may expect a four, or perhaps a two-hour day. With production simplified and power utilized to its fullest capacity, we could probably produce all we want in much less than six hours; and with distribution simplified, we would have no trouble in securing the product for our own enjoyment."

"Socialism?" I asked.

"Engineering," he corrected.

CHAPTER X

WELCOMING THE NEW-COMERS

“To abolish blind-alley jobs. To secure from every worker in the United States the utmost skill he or she is capable of contributing to the Government. And to secure for every worker the utmost opportunity to work to the best advantage. That is the plan of the War Labor Administration to-day. It is peculiarly the aim of the Training and Dilution Service. The worker who enters industry to-day will find no obstacles in his path. The tendency on everybody’s part will be to give him a helping hand, to be patient with his mistakes, not to discharge him for inefficiency, but to transfer him to some department where whatever capabilities he may have may be developed to the best advantage, and there will be less and less jealousy on the part of other workers lest the new-comer suddenly acquire a position which it took them years of hard apprenticeship to reach. This is the only rational programme for industry to pursue, but it is the first time in the history of America when such a sane programme was possible.”

This view of new America was outlined to me by Charles T. Clayton, Director of the recently organized Training and Dilution Service of the War Labor Administration. He was speaking not only as a Government executive, but as a union man, a printer, a representative of one of the trades which has been peculiarly compelled in the past to protect itself against the inroads of an army of unskilled labor.

And let me say at the outset that Mr. Clayton was never opposed to his union's policy. It was a necessary war measure, he maintained, in those days when the business interests clamored for the open shop, not because they wanted unskilled labor to obtain a better chance, but because they didn't want to pay skilled labor at the union rate.

"In order to maintain a fair wage for skill," he said, "it was necessary to limit the supply. Employers talked of paying men what they were worth, but we found by experience that we were paid instead whatever price we could successfully demand. A good many trades then put up bars against apprentices, limited the number each establishment could employ and required them to work a certain number of years before they could be accounted master craftsmen. It was either that with us, or else a reduction of our own pay envelopes to the unskilled level.

"But there has been a sudden readjustment of the industrial order in America. A good many of

the restrictions which were necessary before the war are not necessary to-day, for industry is being governed by a different motive. The profiteer is still with us to some extent, but nowhere is industry being conducted simply for the profits it may bring. Unless it is serving some public need, an industry will hereafter have hard sledding.

“For that reason labor is getting a different deal. And for that reason the labor unions can afford to throw down the weapons which were so necessary in the past.

“There was the strike, for instance. Labor never wanted to strike, but often had to do it in order to obtain a living wage. Had some of the business interests had their way, an Anti-Strike Law might have been enacted. The Administration, however, was more far-sighted. Instead of making strikes illegal, it made them unnecessary. It secured to labor the protection of the living wage. It recognized the right to 100 per cent organization. And it created the War Labor Board to enforce these rights.

“The same may be said of our other weapons. It is no longer necessary for the skilled worker to protect himself against an oversupply of skill, for not only are goods produced to-day for use and not for profit, but labor is coming to be paid not according to the labor supply but according to the value of the service rendered. It is a startling, sweeping readjustment, and it may be some time

before people generally comprehend the change. But the change has come, and whether we comprehend it or not, industry is being conducted on the new principle."

To make Mr. Clayton's position exactly clear, I must state that this was the end, not the beginning, of the talk we had. He realized full well that the Training and Dilution Service had not been created in order to give labor a better opportunity. It was formed for the sole purpose of getting labor to accomplish much more work. And if throwing down these weapons meant a sacrifice to labor, Mr. Clayton was sure that American labor would cheerfully make the sacrifice.

"The bare fact is," he stated, "that the Nation must increase its production at a time when its man power is going by the million into non-productive military service. We must meet the crisis. We must perform the task which the world requires of us, and we must perform it regardless of whether our position as workers is made better or worse. We must win the war, and the workers of America will not allow any selfish interest to interfere with that.

"But it is an equally bare fact that an over-worked worker is a dead one and of no further use to his country or himself. To be thoroughly patriotic he should stay alive, unless some great emergency demands that he make the soldier's sacrifice. Also he should stay as much alive as

possible, not allowing himself to be weakened by poor living or fatigue. Patriotism may demand that he restrain himself from working too many hours. He should jealously guard, for his country's sake, such conventions as the eight-hour day. Long hours of tedious toil not only tire the body but dull the brain and render a man doubly unfit for efficient service to the Nation.

"It is different, however, with some of the artificial restrictions; those shields which it was once necessary to raise in labor's conflicts with the employing interests. It should never have been necessary to raise such shields; but conditions made them necessary and labor was entirely right in raising them. To-day, however, with the hearty co-operation of the unions themselves, we are going into every shop we can reach and reorganize it so that every worker will be given an immediate opportunity to exercise whatever degree of skill he has.

"We intend to go much further than that. Vocational schools and trade schools will be utilized to their utmost limit and training departments will be established in every possible factory. Instead of holding back in this new work for fear their own jobs will no longer be protected, you will find the union men taking the lead. If any man is capable of running a lathe, he will not be kept on a drill-press. If any man shows executive ability he will be given every possible opportunity

to put it into use. Uncle Sam needs executives. He needs highly skilled craftsmen. A good deal has been said about the shortage of unskilled labor but the need of skill is greater yet.

“Our aim, in fact, will be to make the unskilled labor shortage still greater. If a job is so simple that it requires no mind, that job should be performed by a machine. Machines are scarce, I know, when the Government has such a call for steel; but men are scarcer, and highly skilled, clear-thinking workmen are scarcer yet. We must win the war, and the only way to do it is to release the human energy which has not been permitted to function yet, and enslave machines instead of men.”

Mr. Clayton was well aware that this was no small task. The organization of every factory so that the utmost skill of every worker should be utilized day by day—no routineer, no mere “boss” of the old order could be depended upon to perform a task like that. Where were the labor leaders who could do it? They might have the willingness, but do many of them possess the technical knowledge required for such a prodigious task?

I expressed my misgiving to Mr. Clayton. He answered in a most unexpected way.


“We must look to the engineers,” he said, “the brains of our industrial machine—those brains which hitherto have been in the exclusive service of the business interests. We are aiming to get

the biggest production engineers in the country on the biggest production engineering job the country ever undertook.

“Once labor feared and distrusted the engineers, with the best of reasons. They were not hired in those days to improve conditions so that labor would have a better opportunity to express itself to the fullest extent. The whole industrial machine of those days was prostituted to profit-making; and the principles of scientific management were employed only to speed up and wear down the worker to bring greater profits to the boss.

“The workers fought the ‘Taylor system,’ and rightly, although Mr. Taylor had a wonderful big idea which might have been of inestimable social service; but that idea could not be used to social advantage so long as profit-making was the motive which kept industry going. There is no reason to-day why labor should fear the best system of scientific management which can be inaugurated.

“Any scheme for industrial training which has for its object the further exploitation of the workers should be and will be opposed as ever. No employer, under the new conditions, may hope to use our system of training and dilution to secure an abundance of skilled labor cheap. For industry to-day is more and more being conducted for the



common good, and every increase in our productive capacity will mean a corresponding increase in our standard of living. Some fossils of the old order are bewailing the fact that 'labor is in the saddle.' What they mean is that human life is in the saddle, for labor is but another term for human energy.

"It is with this spirit and this motive that this work of industrial reorganization is to begin. And this at a time when several million unskilled Americans are about to be initiated into industrial life. For the man-power of the Nation is going to Europe and the women of America must take its place. Instead of the 'blind-alley' job to which so much woman labor was condemned in the past, they will find a training department waiting to prepare them for the job ahead. Instead of a coterie of skilled and well-paid labor jealously preventing them from usurping their place, they will find a group of comrades, with no economic barriers to separate them, each extending a helping hand. And instead of a 'boss' driving them to toil with the whip of his authority, they will find a shop management eagerly trying to place them from time to time in that position where each talent they possess can be given the highest possible expression."

And this, be it recorded, was not the vision of an enthusiast dreaming of the world to be, but

the statement of one of the most matter-of-fact, practical executives in the Administration, telling me what has already happened and is now happening in these United States.

CHAPTER XI

MR. SCHWAB AND THE NEW ORDER

ALEXANDER wept because he had no more worlds to conquer. Charles M. Schwab had better luck. After he had attained about everything the Old World had to offer, along came a New World and challenged him to far greater achievements. Everybody knows to-day how he has made good, and the purpose of my interview was not to gather data concerning the Emergency Fleet programme. I wanted to know how this new order of things was affecting Mr. Schwab—the new atmosphere, the new rules, the new standards of success and failure.

A man's salary, for instance, was once supposed to be the measurement of his worth; and we all know that Mr. Schwab was in Class A1, because he was offered \$1,000,000 a year. How does it feel to be working for \$1 a year instead? We understood also that he had made the steel industry pay; he had instituted such economies in production that the profits from the corporation's sales ran into many millions. But the Emergency

Fleet Corporation hasn't tried to be economical, hasn't shown any profits and hasn't sold a single ship. He had won out in a world of competition; he was still winning out after competition had been abolished. How did he account for it, and how did he like the New World in comparison with the Old?

"I don't know that I do account for it," said Mr. Schwab when I began to question him. "And I don't know that it matters much whether any individual likes the world he lives in or not. It seems to me that every healthy person wants to live and will try to function as fully as he can in whatever sort of world he finds himself. If the world changes so that he can't adapt himself to it, there isn't much of anything else to do but move off. The world has changed a lot since I came into it, but I didn't have much to do with the change. There was a time, when I was very young, when I thought that the whole world was watching my career. I know better now. Why, only last night some one called up the hotel and asked for Charles M. Schwab, and the telephone girl asked, 'Does he work here or is he one of the boarders?'"

Mr. Schwab would much rather tell stories than enter into academic discussions. When he talked to the workers in the shipyards, for instance, he never gave the impression that he was passing out advice. He wasn't. He was passing out inspiration instead of relating some new anecdote

MR. SCHWAB AND THE NEW ORDER 123

in the famous career of "Capt." Bill Jones.

"Capt. Bill," he told me, "was the greatest Superintendent that Mr. Carnegie ever had. He didn't have any formulas, but a lot of horse sense. He had one man under him who had beaten all production records, and Mr. Carnegie was amazed one day to hear a strange request from Capt. Bill.

" 'I want that man fired,' said the Captain.

" 'What!' said Mr. Carnegie. 'What's happened?'

" 'Nothing.'

" 'He's had the best record of anybody. Isn't he keeping it up?'

" 'Yes.'

" 'Then, what in the world do you want to discharge him for?'

" 'Why, every time I try to talk with him he gives me a chill.'

"That was the best reason in the world for discharging a man," Mr. Schwab explained. Then it dawned upon me why he had told the story.

"This new America," he said, "isn't so altogether different from the old. You can't understand it without understanding those days when the big American industries were being developed, and without understanding those big Americans who directed that development. When history starts in to tell who won this war, it doesn't want to forget Capt. Bill. He was a pioneer of co-operation, one of the great leaders who realized that

in order to accomplish great things we must learn to work together. Even in those days there was no place for the individual, no matter how expert he might personally be, who chilled the souls of his fellow workers. We call it an age of competition, but it was an age when we were aiming to substitute unity for mere individual excellence through the formation of great industrial organizations. The greater teamwork of to-day was made possible by what we learned of teamwork then."

"But aren't people moved by different motives now?" I asked. "Wasn't almost everybody working for money then instead of for the common good?"

"An athlete strains every muscle to win a prize," he answered, "but does he do it because he wants the junk he gets? Wherever money is the accepted measure of achievement, the most of us will be quite apt to struggle for money. We are getting into a new age now, one in which the profiteer is in disgrace, and the man who produces the goods is the man who counts.

"A while ago I spoke in New York and I tried to get this idea across. To my surprise that speech was reported as a radical, revolutionary outburst, and I even received an offer from the I. W. W. to join their organization. I hardly think I shall join. It has never occurred to me that the new age would be any dictatorship of the incom-

MR. SCHWAB AND THE NEW ORDER 125

petent and in which the organizers and executives of industry would have no place. But it will be a world for the workers, a world in which mere possession will no longer rule, a world which will yield honor not to those who have but to those who serve.

"And the best soldier of the common good," he added, "is not necessarily the one who performs the most brilliant individual exploit. He is the one who goes furthest in inspiring the whole gang to do its best."

Mr. Schwab is not military. His reference to a "soldier of the common good" was accidental. His use of the word "gang" was characteristic.

"Industry," he said, "is not like an army. You can't reach your objectives by simply giving the right orders. You can't get anywhere by attempting to train your workers to jump at the word of command. Industry is constructive, creative. In order to get results you must depend on the individual initiative of every unit in the organization. You must appeal to their creative instincts. No boss who tries merely to drive his men is worth a damn.


"When I was asked to become Director General of the Emergency Fleet Corporation I was worried for fear I would not be given sufficient authority. Now I've got so much authority that I'm afraid of it. There is the constant tempta-

tion to give orders—to tell people what to do instead of permitting them to do it.

“I know something about making steel, but I don’t know anywhere near as much as the millions of steel workers know. No one man can know as much as the crowd knows. No one can do as much as the crowd can do. The real leader is not the man who substitutes his own will and his own brain for the will and intelligence of the crowd but the one who releases the energies within the crowd so that the will of the crowd can be expressed.

“That’s all that I can see in this job of building ships. The American people wanted to build ships. They had to have them in a hurry. They had to have a fleet seven or eight times bigger than any people ever thought of building before. They didn’t have any shipyards, they didn’t have any steel to spare and they were drafting their men into military service; but, aside from that, they were all ready. They had the will to build this fleet, and the only problem for the directors was to let that will express itself.

“The conditions were peculiar, I admit. They were somewhat confusing to some of us who had received our training in the normal course of industrial development. If we had wanted ships ten years ago we would have set out to build them in the most economical way possible. We would have bought our supplies in the cheapest market.



MR. SCHWAB AND THE NEW ORDER 127

We would have formed our organization with utmost deliberation and care. We would have taken every precaution to keep down unnecessary expense. But this was different. This was an *Emergency* Fleet Corporation. We had to think only of speed. If a ship cost ten times as much as it ought to cost, we couldn't stop for that. What were a few hundred millions, more or less, compared with a few days' time in this emergency? Those were awful days, I admit, for those of us who were accustomed to doing business in a business way; and the only way that we could become reconciled was to think that perhaps this extravagance might shorten the war by a single day. If it did that every expenditure would be justified.

"That emergency, thank God and the American people, is over. We paid a terrible price, from a business man's point of view, but we built the ships. We met the emergency. We got two million soldiers to France. We defeated the U-boats. We saved the world for civilization.

"We are continuing to build ships now, but not on the old basis. The emergency has passed and we are building economically now. We are still building for the Nation's needs and with no thought of individual profits, but we are building solidly for the future. We have no illusions that the war is over, and we don't think the world has been made safe for democracy yet; but we are now ready to return a dollar's worth of value for every

dollar spent. Even after the war we shall need these ships to help reconstruct a world wrecked by Prussian madness."

"And after the war," I asked Mr. Schwab, "will we use these ships for the same old game of delivering goods which we shall be manufacturing for sale? Shall we quit this system of production for use and go back to producing for individual profits? Shall we take part, as before, in a world struggle for foreign markets? And when the market is glutted, shall we shut down our industrial machine, with all that that means in unemployment, poverty and general discouragement, until the market is stabilized once more?"

"Please ask me something easy," he replied. "I am sure things will not be as they were before; but I don't believe any man is wise enough to see how extensive the change will be. If you want my guess I will give it to you, but I will give it to you only as a guess. There will still be competition. There will still be periods of prosperity followed by leaner years. There will still be the necessity for individual saving and there will still be rewards for those who intelligently care for their individual interests. But, on the other hand, we shall have learned a degree of co-operation which will permit things to run much more smoothly than they did before.

"Ruinous competition—remember, I am still guessing—will largely disappear. There will be

MR. SCHWAB AND THE NEW ORDER 129

competition instead for better methods—for better and more adequate ways to meet the public need. There will be more and more co-operation, not only between the great industrial organizations but between the employers and the great body of workmen upon whose help they must depend. There will be a degree of price fixing and considerable limitation upon the opportunities of any group of men to get rich at the public expense. There will still be rich and poor, but there will be fewer idlers in either class. Some men will naturally attain greater riches with greater responsibilities; others will prefer to have less money and more fun."

Mr. Schwab's personality is so well known to the American public that it seems almost superfluous to give my personal impressions of the man. But no one has ever seen him through my eyes before, so here goes for those impressions.

Mr. Schwab, I noticed, has an intense respect for me. We were alone in his office and I couldn't help noticing it. If any one else had come in, Mr. Schwab would have had an intense respect for him, and the newcomer, likewise, would have noticed it. He is not merely courteous; he is cordial. He's personal. He makes a fellow want to chip in. I had heard that he was very rich, but I doubted it; he seemed to me to be exceedingly human. He believes in people. And people, when they are once believed in, get busy. I know very

little about his business system; but I know that it takes such a man to fill any system with holy enthusiasm. I couldn't figure out whether he belongs to the new order or the old, especially as he was not the least dogmatic concerning what the new order is to be. Perhaps he belongs to both. Alexander wept. Charles M. Schwab wore a very happy smile.

CHAPTER XII

SOME QUICK-ACTION GOVERNMENT

"CHAIRMAN of the War Industries Board" is not a very high-sounding title. But if Marshal Foch had been called Chairman of the Committee on Allied Troop Movements, it wouldn't have made much difference; that is, if he had been endowed with the same resources and authority. Bernard M. Baruch might well be called Marshal of America's Resources. He was our first Industrial Generalissimo. He has had a bigger army working under him than had Marshal Foch, and in some aspects of the case a bigger job. Every little while Marshal Foch would give an order; and within a few hours thereafter more steel would be blown to fragments and a greater volume of explosives converted into casualty lists than were used up on both sides during the whole period of the Franco-Prussian war. All that Mr. Baruch had to do was to keep Marshal Foch supplied, insofar as the Marshal depended upon American resources.

He has had to get our raw materials trans-

formed into things that Pershing's army needed somewhat faster than Pershing's boys could use it up. He has had to keep our millions over there supplied with all the tools of war and help out considerably with the Allied armies as well. He has had to get all this stuff transported across America, which means that Mr. McAdoo's railroads must be kept supplied. Then he had to get it across the ocean, meanwhile furnishing steel and lumber for Mr. Hurley and Mr. Schwab to build the necessary ships. Incidentally, he had to see that no essential American industry was upset by such a programme and that none of our 100,000,000 people suffered any serious privation.

It wasn't a matter merely of estimating the amount of material to be used and giving orders for delivery at the earliest possible date. Delivery had to be guaranteed much more definitely than that. No man in the trenches could be asked to wait a minute when a tenth of a second meant life or death. No American drive could be postponed until 6 o'clock when nothing but 5.47 would make victory sure. Pershing couldn't use up his shrapnel one day just because he had a lot on hand and wait on Mr. Baruch for his high explosives. The War Industries Board had to know how much raw cotton, how much wood pulp, how much copper, tin, tungsten and a thousand other things each department of the Allied armies and navies needed and just what minute they would need it; and



SOME QUICK-ACTION GOVERNMENT 133

it had to regulate every operation from mining the ore to the transportation of the finished product according to that military calendar. Since everything in life depends basically on industry, the War Industries Board may well have been called Headquarters of America; and since the whole world has been dependent upon American activities, it seemed to me almost Headquarters of the World.

The presiding genius at these headquarters was an American financier. He was one of those who "controlled" American industry when American industry was controlled by finance. But such control seemed vastly different to me than the control he was exercising now. Then we were a nation of independent adventurers engaged in making things to sell or speculating on their sale for the greatest possible profits. Now we were a united community engaged in winning a war. Industry was no longer competitive. There was no market—just an insatiable demand. Capital, labor, resources and material—all were being mobilized for a common end. It was a new order, a new America; and the director of this new industrial regime was one of those men of mystery who figured so largely in the control of the old.

I had carefully prepared ten questions to ask Mr. Baruch. I wanted a complete analysis of the new industrial conditions. I wanted him to prophesy and philosophize. I wanted him to con-

trast the old order with the new and tell me how much of the old had passed away forever. In the great transition he seemed to me to be the central administrator, and I was eager to get his views.

I met Mr. Baruch—and forgot the first question. Presently I forgot the other nine. Mr. Baruch may be both a seer and a philosopher, but he wasn't functioning in either capacity just then. He was Chairman of the War Industries Board and hadn't much time for prophecy.

I watched him work for three-quarters of an hour. It was only 7 P.M. when I arrived, and it was nearly 9 that morning when he had started in, so he hadn't begun to think of quitting yet. There were fifty or sixty communications on hand which required his personal attention; and when any matter was referred to his personal attention Mr. Baruch personally attended to it. My first reaction was one of sympathy. When a man has done a fair day's work I'm all for letting him rest. If I had such a job, I know, there would be at least fifty or sixty things that wouldn't be attended to. Then, for Uncle Sam's sake, I didn't want our industrial administrator to wear out. My sympathy, however, was wasted.

"This is the best job I ever had," the Chairman remarked, sandwiching in the observation between a phone call and what seemed to me to be an order to the United States Government, dictated to his

SOME QUICK-ACTION GOVERNMENT 135

stenographer. This man, I found, did give orders to the Government, although I am sure he wouldn't refer to it in any such terms.

"This is the best job I ever had," he said. "People were afraid it would wear me out, but I've gained twenty-four pounds since I came to Washington. I never felt so well in my life."

In reference to those orders to the Government: One of the communications was very small. It was inclosed in an envelope possibly 16 inches square. It was from a Government department. Mr. Baruch looked once at the communication. He looked twice at the envelope. What he did with the communication I do not know; but he notified that Government department that wood pulp was needed for the war.

It was said of Mr. Baruch in the old days that he could tell how sound a company was by the tone of its prospectus. He didn't have to watch the market. He sensed the psychology of the seemingly smooth statements. I don't know about that, but I do know that he read from some of these communications things which the writers never intended to disclose.

One telegram notified him indirectly that somebody in these United States had been put in jail for running a non-essential industry. No one, of course, can account for what local authorities may do, but those local authorities, I was convinced, wouldn't do this thing again. That was not the

Board's way with non-essential industries. The Board never intended to jail the owner or kill the industry. It simply furnished what supplies it could command to those industries which seemed more essential; then there was nothing left for Mr. Non-Essential to do but join the army or take up some essential operations.

Then there was a letter from a well known man in public life who wanted to "co-operate." It was "obvious," however, that the Board did not understand the building situation in Such-and-Suchville. One man had bought 25,000 barrels of cement, and the Board had limited building operations so that he could use only 6,000 barrels. Nineteen thousand barrels, said the writer, would spoil: why not allow building in this district to proceed and not work such a hardship upon this particular citizen?

Mr. Baruch attended to this by notifying a certain war industry hard pressed for materials where it could obtain 19,000 barrels of cement.

Mr. Baruch's day was not taken up with such details as these. I recount them partly to show how smoothly in the main the United States industrial administration work has worked. To me, however, it meant something more significant. Here was government in action, government of the daily course of life throughout the United States, but a sort of government that no American had ever dreamed of.

SOME QUICK-ACTION GOVERNMENT 137

It was government which did things in half a minute which political government might accomplish in half a century. It was government which kept things running smoothly, not the kind of government which is content to "interfere." It was government which determined the most intimate details of life without seeming to be arbitrary in the least. It was government, apparently, by Wall Street men, but it was government in which Wall Street did not seem to figure. Assuredly it was not "invisible" government. It was more an administration of things than a governing of men, a government which was organizing the machine we work on so that the American people could work in harmony. It didn't seem to be compelling co-operation. It seemed rather to be permitting it.

"Please explain it," I asked Mr. Baruch when the last letter had been answered. "Isn't this an altogether new order of society?"

"It seems to be," he said.

"And it would not be overstating it," I asked, "to say that we have passed through an industrial revolution?"

"It can hardly be overstated," he answered.

"And competition has very largely been eliminated?"

"Yes."

"We are no longer engaged as a nation in producing things for sale?"

"No, we have just one object—to furnish the

Army and Navy with all that is necessary in order to win the war. War materials, the most important part of our production, are not commodities. The law of supply and demand no longer fixes the price. We tell the industrial managers what we must have and agree with them on a fair remuneration. If the Government thinks the return is too great it proceeds to take it back through taxation. In such a crisis as this every individual interest must be made subservient to the national interest, and the American people have little difficulty in perceiving it. By common consent the War Industries Board has assumed the direction of our industrial machine, converting all the machinery which might otherwise be running at cross purposes into a single mechanism with a single aim. I say by common consent, because we have no statutory power. We were not created by Congress and no body of well-meaning statesmen prepared a constitution and by-laws limiting our functions. We were created by a proclamation of the President, Commander-in-Chief of our Army and Navy, and received a blanket commission to deliver the goods. That the goods are being delivered through the fine co-operation of American industry is now evident. For the manner in which we have carried out our mission I must refer you to the news from the other side."

"How would you characterize this new industrial order?" I asked him. To me it seemed a sort

SOME QUICK-ACTION GOVERNMENT 139

of socialism, a fifty-eighth variety which had not yet been classified.

"I would call it winning the war," said Mr. Baruch.

In that answer the whole spirit of the War Industries Board was disclosed. If there was a man in the works who wanted to change what we have been calling the present order of society I couldn't find him. No dreams of Utopia and no mere passion for uplift were inducing these men, used to luxurious offices and a comfortable existence, to grind away from ten to fourteen hours every day in the bare and unlovely quarters of the War Industries Board. They were thinking of winning the war, and not a man of them could be persuaded to relax his efforts through any thought that the job would soon be done. They didn't talk peace. They didn't speculate on what will happen after the war is won. They seemed to think, talk and feel nothing on earth except the necessity of delivering the goods.

"Please don't write it up as my achievement," said Mr. Baruch. He meant exactly what he said. Mr. Baruch was not giving orders: he was making a "request." But orders are sometimes disobeyed; his requests never.

"No man," he said, "could dictate such co-operation. If there is any commendation to be given, give it to the men around me; give it to the highest composite man in history—the American business

man, the American employer, the American worker and the American soldier. These men on the War Industries Board are not dictators. They are so big that they don't have to be. When they see that any particular thing must be done they talk it over with those who are to do it. They explain. They suggest. They agree on a method, and the thing is done.

"Take tin, for instance. One of the most urgent problems of the war was how to make the tin supply meet the demand. We combed all the industries where tin was used. The manufacturers themselves determined how much they could dispense with. They could substitute here, they could dilute there. They could standardize styles and eliminate unnecessary sizes in various articles. Many of them could pack their goods in paper instead. Dealers, too, could carry smaller stocks of everything in which tin was used.

"One of the greatest customary wastes, we found, was the excessive use of tin in babbitt metal. Many manufacturers were using much more than the best engineers thought necessary. They agreed to cut down the percentage. But the Government, in the War, Navy and Ordnance Departments, was the worst offender. The Government had certain specifications for everything; and changing a Government specification is a pretty difficult job. Specifications are necessary, but they aren't anywhere near as necessary as tin. They

SOME QUICK-ACTION GOVERNMENT 141

had the specifications and we didn't have the tin, so the specifications had to give way. We certainly couldn't dictate to the Government, but we could explain. We did explain; and the Government was thereafter governed, not by us but by the facts."

Government by facts! Mr. Baruch was not philosophizing, but I wondered if this was not the underlying principle in the new scheme of things.

"Then this isn't a case of Government absorbing industry," I asked, "but of industry absorbing Government?" Mr. Baruch smiled tolerantly at my attempt to reduce a world transition to a formula.

"It is a case of winning the war," he explained again.

Then I remembered some of my questions. If this reorganization of American industries proves so advantageous for the Nation at war, would it not be equally advantageous to the Nation at peace? If we can make things under these conditions faster than the armies of the world can destroy them, by following the same system couldn't we easily pay off the costs of war and abolish poverty forever? By such economies and co-operation as we have learned, and with our manpower returning to industry to produce and not to destroy, may we not go on producing for the National good, instead of for sale and for individual profits? Is not the new order much more effi-

cient than the old, and could we, if we would, return to the system we have discarded?"

"I sometimes dream, too," Mr. Baruch answered, "but I never dream on the job. We have to keep awake here. I hope I have made it plain that we have only one object—to place the industries of the country on a war basis. In order to do that we have had to scramble a good many eggs. After the war, I suppose, we shall be expected to unscramble them."

"But is it a case of scrambling?" I questioned. "Isn't it a case of a more natural process? Haven't you got a fully developed chicken out of the egg? And if so, do you see any way to put it back?"

"There will be a degree of competition in the future," he said. "Just how much depends largely upon—the future. There is no objection to co-operation to win the war, but combination to eliminate competition is illegal."

The Sherman law! I had forgotten about it. One does forget about it in following the development of industry to-day. I had been in Washington two weeks and had never thought of visiting the Capitol. The Political State—the supposed bulwark of our democracy—those marble corridors and stately perorations—they all seemed so far off and unrelated to the tense activities which fascinated me here. The War Industries Board is housed in a temporary building with plain

SOME QUICK-ACTION GOVERNMENT 143

wooden floors that don't echo or resound, but make just plain every-day noise when the busy conferees hot-foot it out for lunch. No one in the works ever thinks of perorating. They saw wood instead.

Yes, that was the difference between the two buildings—the difference between a mausoleum and a sawmill. But here I had seen quick-action government, government by fact and not by formula, to which no one in America was taking exception. There we, the people, had duly assembled many years ago and enacted the Sherman law, setting forth the principles upon which industry must henceforth shape its course.

"After the war," Mr. Baruch explained, "industry must be competitive. The law says so."

"But will it be?" I asked.

"The American people have learned how to co-operate," he answered, "and it may be a very difficult thing to forget."

That was as far in the line of prophecy as Mr. Baruch would go. But concerning the co-operation which had been achieved, he would answer anything he could.

"This unity in action," he said, "could not have been imposed upon the American people. It could only spring from unity of purpose. No dictator could have told them what to do, for no one was wise enough to know. It is conceivable that the people might have acquiesced in any programme

an industrial dictator might devise, but something more vital than acquiescence was needed. Something more than mere obedience to any set of rules. We needed positive co-operation and the whole volume of American initiative and American patriotism behind it. That is what we wanted and we had no legal power to command it. We didn't need legal power, for mere authority cannot command a spiritual force like that.

"We went to the industries, ascertained their capacity and learned their needs. We told them what the boys over there must have in order to defeat the monster of Prussianism and explained as far as we could the limitations that this would impose. How far could they cut down expenses, we asked; how far could they inaugurate more economical methods, provided all chance for cut-throat competition were removed? If their industries were not essential to the Nation's needs, could they be converted into the manufacture of things more necessary? As for the War Industries Board, it stood ready to give them all the help it could.

"Everywhere the response was spontaneous, enthusiastic. Men who had developed Herculean energies in the pursuit of individual ambitions now used these powers solely for the common good. None of their initiative was dissipated, as it might have been if their industries had been taken over wholesale by the Government and they

SOME QUICK-ACTION GOVERNMENT 145

had been asked to function thereafter as bureaucratic routineers.

"I am not speaking merely of owners and employers. I am speaking also of managers and superintendents and the great body of ambitious and energetic workingmen. There have been disagreements and delays, and there have been misunderstandings which had to be straightened out. But co-operation has generally been attained just as soon as the facts have been understood.

"That is why I like my job. There is more unity with less coercion in America, I believe, than the world ever saw before. We want to keep that, and we will keep it, until the war is won. It is no time to consider any special interest. It is no time to float any propaganda for any pet schemes we may have in government or trade. It is time, instead, to drive more rivets, to save more food and fuel, to buy more Liberty Bonds. If this concentration toward a certain end should bring another civilization in its wake, I suppose we'll have to take whatever civilization comes."

CHAPTER XIII

HOW WAR CHANGES HUMAN NATURE

THERE is an old saying that "you can't change human nature." No one believes it. No one ever did believe it. But the saying contains such an exceptional percentage of crystallized ignorance that it seems impossible to wear it out. Education, civilization, culture—what are these but processes in the changing of human nature. A radical change can be brought about in some natures by a single love affair—or a single drink.

Do you remember the great popular song in America in 1914? Get out your old graphophone, if you still think that human nature cannot be changed, and try it out on the folks to-day. You won't be arrested: you'll be mobbed—mobbed by the neighbors who used to weep and cheer by thousands when those sacred sentiments were let loose some four years ago. You may be sure, too, that it was neither the poetry nor the tune that carried the song: it was the sentiment that pervaded pacifist America in those days before the war had transformed us into a different race of human beings.

HOW WAR CHANGES HUMAN NATURE 147

I do not need to mention the name of the song. Suffice it to say that it was the alleged outpouring of an American mother as to the particular profession to which she did not raise her boy.

Early in the war—that is, during the months when we were technically at war with Germany but long before the average American had assimilated the fact—I had a long talk with Prof. Robert S. Woodworth of Columbia University. Prof. Woodworth is head of the Department of psychology at Columbia, a pure scientist who dislikes publicity, and the last man in the world, it seemed, to venture on any sensational prophecies. He did not pretend to know what was coming; but he knew some of the principles which underlie human development and he knew that it was inevitable that our very natures would be changed.

“What means this sudden surge of patriotism?” I asked him. “What has happened to us since the days, a few months ago, when America was singing: ‘I didn’t raise my boy to be a soldier’? Has the heart of the average European already changed, and are we due for the same changes here? If so, what kind of folks are we going to be? Is there any indication yet of the trend our souls will take? Or will we be practically the same sort of people, only living in a different house?”

These questions, it must be remembered, were asked before we had ever heard of a National War

Labor Board, and when our industrial system had been so little altered that a man was still supposed to be a crank if he spoke about "profiteers." And yet, from his observation of stimula and reactions, Prof. Woodworth gave me the following reply:

In the great crises of life human natures are changed the most. If the crisis affects a single individual, we may expect the change to be checked in a measure by the slower social currents surrounding him. But if the crisis affects all society, if the whole world is swept at once into new currents of thought and action and into the throes of hitherto unstimulated passions, human nature may be expected to change in the most radical, tremendous, cataclysmic way.

Just now the world is passing through such a crisis. For more than three years the people of all Europe have been swept on the tide of new emotions and have been adjusting their daily lives to hitherto unknown conditions. To-day the average Europeans, not merely the soldiers in the trenches, but the men, women and children at home, are vastly different beings from the average Europeans of four years ago. They are fired by different motives, inspired by different ideals. They have altogether different standards of right and wrong. They have different virtues, different vices, different sorrows and different joys.

HOW WAR CHANGES HUMAN NATURE 149

Slowly, rebelliously, the people of America were drawn into the vortex. Slowly and rebelliously, but just as inevitably, they are beginning to undergo the same great transformations.

What are the changes which the war has wrought in the average European soul? And what are the changes which the average American is about to undergo? It is far too early yet to give the subject any satisfactory analysis, but enough has happened already to enable us to point out a few general tendencies. In observing them the true psychologist will neither approve nor denounce; he will simply accept the phenomena and attempt to grasp their significance. But lest I may be misunderstood, I wish to say at the outset that I am thoroughly convinced of the righteousness of America's cause. I hate war. I shrink from it. I fear its effects in a hundred ways. But I believe that this country would have been untrue to all that makes life worth while if she had refused to do her part. That, however, is beside the question. In this study, I wish merely to point out the changes which the war is bringing to most of us, whether those changes seem altogether desirable or not.

In the first place, patriotism has for three years been a dominant motive in the lives of Europeans and is rapidly becoming a dominant motive here.

What is patriotism? In order to comprehend

what it is going to do to us, we must first know what it is. Patriotism is usually defined as love of country, but that definition will not satisfy the psychologist. Patriotism as it functions in the world to-day is not a single passion. It is a group of passions, most of which exist in everybody's soul, but have been repressed or offset in the average American's psychology by other impulses and considerations. In the patriotism of to-day, the literal love of one's native *land* undoubtedly cuts less figure than in the patriotism of former times.

*"I love thy rocks and rills,
Thy woods and templed hills."*

That is a pure expression of land-love. Probably this element of patriotism is more strong among the Germans than with us. German rebels, German exiles, sing fervidly of the Rhine; and although no one wants to abolish the Rhine, their German patriotism is strongly stirred. Americans, on the other hand, have turned from this expression of land-love to:

*"The Star-Spangled Banner, O, long may it wave
O'er the land of the free and the home of the
brave."*

The essential note of "America" is land-love, accompanied by devotion to the land of our fathers

HOW WAR CHANGES HUMAN NATURE 151

and the God of our fathers. The essential notes of "The Star-Spangled Banner" are the boast of freedom and loyalty to its symbol. It is a fair guess that this is the reason we have largely discarded "America" for the other anthem, although it is indifferent poetry written to celebrate an inconsequential event. Tradition and acreage are not apt to stir Americans to-day.

Provincialism, a strong element of the patriotism of former times, is also a minor factor to-day. Globe-trotting and cheap newspapers have largely done away with it. In former times people were uniformly convinced that their home town was superior to every other town on earth; their patriotism began there and gradually included out-lying districts in its sympathies, but "foreigners" were natural enemies.

We have largely outgrown these ideas of patriotism, but we have not rid ourselves of the elemental human passion with which they all were linked. That is the passion which translates itself into loyal support of that particular group, country or institution which we instinctively recognize as "*OURS*."

The typical patriot is not the man who prefers one country to another, and therefore throws his influence in support of that country's aims. The typical patriot is the man who sacrifices for his country for no other reason than that it *IS* his country.

To be specific, the chief element in the patriotism of to-day is the herd instinct, as distinguished from the mere instinct of self-preservation. This herd instinct may or may not be associated with the instinct of self-preservation. It is true that one may be impelled to follow the herd because in that way lies safety; but it is also true that, with the herd instinct in control, one sacrifices his own life to save the herd, not as a matter of heroism but as a matter of course.

To put it in a way which is sure to offend the unthinking, the passion which we know as patriotism and the passion which we know as the "gang spirit" are very much the same. This will not offend those who think, for our objection to the gangster is not to his loyalty but to his ideals. Our objection to the libertine, for instance, is not to the passion which leads him to vices—for the very same passion may lead one to devotion to his wife and family and to heroic work in their behalf. Our objection, if we are intelligent, is not to any human passion, but to the inadequate or perverted expression of it.

The gangster is the most loyal type of person, for the gang is built on loyalty. The gangster will violate his own conscience in order to be true to his gang; he will commit crimes he does not want to commit; and in a fight with another gang he will not question the issue or have any misgivings as to which side is entitled to his support.

HOW WAR CHANGES HUMAN NATURE 153

Now, that is very much the type of loyalty we demand of a citizen, if we are to honor him with the name of patriot. We do not insist that he think the war is right, but we do insist that he support it, now that we are at war. We will not take his statement that he is a conscientious objector, or we despise and punish him for rating his individual conscience above the national need.

This new attitude of Americans is a product of the last few months. A few years ago a mere statement of it would have been odious to most of us. But it is our attitude to-day and little can be gained by denying the fact. Also, it is the accepted attitude in Germany, France and England. That it has not been the Russian attitude as well has constituted our main indictment of the new republic.

I realize that a perfectly good brief can be drawn up in ethical opposition to this outbreaking of "the gang spirit," but without this same spirit all society would disintegrate. Without a tendency to go with the herd, without respect for the herd, without a more or less definite reliance upon the will of the herd, and without mental and moral concessions to the standards and ideals of the herd, human association on a large scale would be impossible.

It is to some extent up to the individual to determine how far he shall participate in collective and loyal action. He can very well try to keep his

mind clear and unprejudiced, so as to see the merits and demerits of the enemy; but when the group is committed to a certain collective action, straining for individualism is quite apt to warp instead of develop the individual mind. In such a crisis the individual attains the greatest mental and spiritual expansion, not by holding aloof from society, but by throwing himself devotedly into the common cause. No individual can be sufficient unto himself. There are real individual values in this social fusion which must not be overlooked.

In long periods of security the herd instinct becomes weak. It would be more accurate, perhaps, to say that it ceases to function as devotion to the mass and manifests itself in loyalty to lesser groups. In such times we choose our allegiances, not so much from necessity as from taste. We divide into social, political and religious cliques and reach the maximum of variety and diversity in life's experiences. We gain tolerance. We gain individual freedom. We gain nicer perceptions of moral and philosophical questions, and finer sensibilities in our personal relations.

But we also lose. We lose the capacity for mass action. We lose the power to put our fine ideals into practice. Divided into little groups, we lose the power to enforce the wishes of our particular group upon society as a whole; and, losing the power, we lose the determination to do so. We become discriminating in our moral and intellect-

ual measurements, but we lose the courage of our convictions; and while we develop the nicest ideals of politics and government, we submit meekly to political dishonesty and inefficiency. The great majority of us want good government, but there is no common passion to hold us together and concerted action is unlikely.

It is from just such a period that America is emerging, and the chief phenomenon of the transition is this loosing of the herd instinct.

The inevitable result will be to make us as a people less selfish, more social, less timid, more devoted, less cautious, more loyal, less discriminating, but more capable of co-operation.

Individually we shall doubtless become less kind, but socially we shall become less cruel. We shall probably be moved less by individual suffering, but we shall become less tolerant of wholesale injustice. In the epoch which is passing, we were quickly moved to tears by individual instances of poverty and misfortune. At the same time we left the causes behind this poverty and misfortune almost untouched. We pitied the child laborer and permitted child labor. We pitied the mangled worker and left our factories unsafe. We pitied the starving families and permitted wholesale unemployment.

We are changing rapidly. The news that a thousand boys have been killed in battle brings comparatively few tears to-day. We have grown

used to the tale. It seems that we have grown cruel and callous, but the fact is that we are simply concentrating on the greater issue.

Everywhere we shall be a sterner race than we were four years ago. We can see now that we were soft, and the soft virtues took precedence in our ideals. The era of humanitarianism, philanthropy and sweet charity may quite possibly have been brought about by this softness; but such an era, with all its sweetness, is quite apt to be an era of self-indulgence and social disintegration.

It may not be true that war alone can develop the more rugged virtues of courage, aggressiveness and invincible determination. But it is true that these virtues are developed by war at the expense, doubtless, of many other seemingly desirable qualities. And it is also true that there was nothing in our social conditions immediately preceding the war which tended to develop them generally.

Probably at no time in the history of the world was there so much kindness and charity as there was in those last few decades. We all shrank from suffering—and hid it from our sight. We gave pennies to the blind, we built asylums for sick cats, we sent flowers to condemned gunmen. But we didn't make the world much more fit to live in, because we were not roused to the point where we were capable of any great collective task.

A soft people will not intentionally inflict pain,

HOW WAR CHANGES HUMAN NATURE 157

individually, but they will quite possibly cause more pain indirectly than the most ruthless race. For the abolition of poverty and misfortune is largely a problem of social organization, not merely one of personal tenderness. And social organization, the fusing of the mass to attain a common goal, requires a social passion, a manifestation of the herd instinct, within the average individual.

Almost paradoxically, one great outcome of this fight to the death of nation against nation will be an era of internationalism. Society had to fuse in small groups first before there could be a nation, and this fusing was brought about by the fighting of clan with clan. It was probably just as necessary that we should have a world-wide fight of nations before we could develop an internationalism that would work. The ultimate manifestation of our social instinct will doubtless be "world patriotism," but we couldn't jump into that from such a loosely organized state as that which existed immediately before the war.


Real internationalism will not be a matter of theory. It will be a matter of human passion; and until it is a matter of human passion, until it is a normal manifestation of human nature, theoretical and ethical internationalism will not move the world.

To me this is the greatest way in which human nature is being changed by the war. The war has

aroused the collective instinct of men and women on a grander scale than it was ever known to function before. It has produced a billion heroes. It has shown us more daring, more devotion and more self-sacrificing than any one supposed the race was capable of. After it is over, we shall not have a race of people entirely consumed with their individual affairs. Personal loves, personal jealousies and the pursuit of personal gain will not function as they customarily did.

Even the death of a dear relative will not in the future make the impression upon the average life that it customarily made. We have grown used to individual deaths and we shall accept them more philosophically. By the usual reckoning the world to-day should be one grand funeral, but it isn't. Mothers have lost their sons and mourned for them, but the mourning has not consumed their souls. They have had something else to do, something else to think about. Their pride and patriotism may not have conquered their grief, but it has subdued it and kept them from becoming morbid. Unconsciously these mourning mothers are participating in the new collectivism, the coming universalism, the greater and better human nature.

Few people will be ready to accept the statement, but it seems to me that all this change is not primarily dependent upon the issue over which we went to war. The change has been



HOW WAR CHANGES HUMAN NATURE 159

brought about not so much because we are fighting for democracy as because we are fighting on so large a scale. Most of the changes which are occurring to the peoples fighting for democracy are also occurring to those who are fighting for autocracy. Had we all set out to fight for Presbyterianism, many of the same changes would have occurred.

CHAPTER XIV

PROF. DEWEY'S STARTLING FORECAST

COULD anyone observe the world cataclysm of 1914-1918 without reaching the conclusion that a great civilization had passed away?

Yes, millions of people could. But, fortunately or unfortunately, evolution doesn't wait for those who are evolving to O. K. the process. A few people are interested in causes: but whether we are interested or not, these causes produce effects. When we are standing on a railroad track, it doesn't seem to matter much whether or not we agree with the locomotive. If we stop, look and listen, we may adjust ourselves to its advance: but if we don't, we won't seriously interfere with transportation.

Just at present I am not trying to change anybody's mind. I am not trying to get anyone to agree with me. But if we have unloosed forces which are sweeping us pell-mell into an altogether different order of society—an order in which old ideas, old notions, old rules of life which we thought as fixed as the polar star are going down

with a crash—the nature and direction of these forces should be a moderately interesting study.

This was on my mind when I asked Prof. John Dewey what, according to his best observations, the war was doing to the world. I wanted to know how a really great philosopher would view these doings; some big, calm thinker not bound to any system, whose conclusions would not be the result of incurable dogma on the one hand, nor of impetuous idealism on the other. That is why I picked out Prof. Dewey. I had often heard him referred to as “America’s leading educator.” I came away feeling that there had been no exaggeration.

At first Prof. Dewey refused to be interviewed. “It is too big a subject for any man to tackle,” he said. Then I began to ask questions, and anyone who asks questions with enough earnestness and sincerity has Prof. Dewey at his mercy.

“When Columbus discovered America,” he asked, “could anyone have told what the discovery would mean? To the wise men of the time, it meant a new route to the East. People’s minds are governed by precedent. India was a fact in their minds but there was no precedent for America. Naturally, they couldn’t conceive of the Western civilization which was to follow.

“Just now we are fighting for Democracy. Democracy is a fact in the minds of most Americans. They think, at least, that they know what

it means. It seems certain in my mind that the Allies will be victorious, and I believe that they will discover democracy: but that democracy will be as different from the democracy of their concepts as the new world was different from the Orient which Columbus sought.

“We are fighting to do away with the rule of kings and kaisers. When we have finished the job, we may find that we have done away with the rule of money and trade. We are fighting for freedom to transact business; but this war may easily be the beginning of the end of business. In fifty years, it is altogether probable, the whole system which we know as ‘business’ to-day will have vanished from the earth.

“Business in the world we have known has consisted of the sale of goods and their manufacture for sale. For several years now, the manufacture and distribution of goods in Europe have largely been conducted on a contrary principle. The change has already come in America too. We are beginning to produce for use, not for sale; and the capitalist is not a capitalist in the sense that he was a capitalist before the war. His right to sell in the open market, according to the law of supply and demand, has been challenged. In France, Germany and England, his right to invest his capital has very largely been taken away. He must manufacture what the government wants him to manufacture; he must sell the product at the

prices the government sets; he must pay his help whatever the government stipulates; and if there are any profits left over, the government may appropriate them to pay the costs of war.

"Doubtless the average business man is willing to make these sacrifices. Most of them are waiting patriotically for the end of the war when they hope to resume business on the old principle. But there is no reason to believe that the old principle will ever be resumed. A world once jarred so far from its orbit is not apt to return. It finds other attractions, another center, another orbit. Unquestionably we are entering a different sort of civilization than the earth has ever known.

"We never knew before how rich we were. It took the war to teach us. When it came to spending money for the common good in former times, we thought we had to economize. The people who controlled money matters always impressed us with that necessity, but we have suddenly discovered that it wasn't necessary at all. I am not venturing to say what the people of the various nations will want in the future; but whatever it is, it is unthinkable to me that they will not be perfectly ruthless in going after it.

"If New York City can subscribe a billion dollars at a time for a Liberty Loan, it can be taxed a billion for a Humanity Loan; and a billion dollars could be expended here to the great joy of the common people. I do not say that they will want

to spend a billion dollars at a time; but if they do happen to want something that costs a billion, they are quite apt to buy it. Private property as a nominal institution will still go on, but it has already lost its sanctity."

When this interview took place the Russian revolution was still commonly referred to in America as "the overthrow of the Czar." Prof. Dewey knew better. Although our own War Labor Administration had not yet taken form, Prof. Dewey saw in Russia a portent for the whole world.

"Germany," he said, "will not stop with the overthrow of kaiserism. England, France and America will not rest when the world is made safe for political democracy. I do not expect the change to be so sudden here, but industrial democracy is on the way. The rule of the Workmen and Soldiers will not be confined to Russia. It will spread through Europe; and this means that the domination of all upper classes, even of those we have habitually recognized as 'respectable society,' is at an end.

"This revolution may burst upon the world in fury, coupled with a reign of terror and extravagant orgies of new-found power, or it may come through the gradual evolution of several decades. It is plain that it is coming, but it is not at all clear what the rule of the hitherto submerged classes will be like."

That it meant to Prof. Dewey something definitely different from our present order was very evident. He spoke of expected changes not only in industrial, economic and political conditions, but of changes in the individual psychology, of man's and woman's outlook upon the most intimate and sacred problems of life.

"Has it occurred to you," he asked, "that the most sacred tradition of society may soon undergo a most radical change? Has it occurred to you that the family, as we have known it, may soon cease to exist? That the terms love, marriage and romance may soon come to express altogether different ideas to our minds than they do to-day?" Prof. Dewey is one of the foremost psychologists of the world and I waited eagerly for his explanation.

"Please understand two things at first," he said. "To begin with, I do not know what this change will be. In the second place, whatever it is, I do not advocate it. I do not advocate any change in the ideals of marriage as they exist. I do not advocate any revolution in our sex morality. I am speaking only as an observer of causes and effects, and from that standpoint it seems apparent that tremendous changes are due.

"We must recognize," he explained, "that the family is now a very different institution from what it was a few hundred years ago. In the family of that time, the father was supreme. In the

family of to-day, the father may play a most inconspicuous rôle. The family tradition of obedience to parents has survived, but disobedience and disrespect are common. In the family of former times, the father had jurisdiction over his children's lives; he educated them or not as he saw fit; he supported them as he saw fit; he punished them as he saw fit; he even picked out the partners they should marry. To-day he must send them to school as long as the State sees fit; he must support them according to standards set by the State; if he punishes them cruelly, he is punished by the State; and he has nothing whatever to say about whom they shall marry.

“What caused the change? Primarily a transition from one economic system to another, from feudalism to capitalism. Under feudalism the family was the economic unit, and an individual found his economic security in his relation to the family. Under capitalism the individual became the economic unit, and a person found his economic security in his individual job. It was in the natural course of cause and effect, then, that children threw off the yoke of patriarchal rule.

“Free selection in marriage was probably the most significant phenomenon of the new order, and the era of romantic marriage dawned upon the world. Instead of strengthening the family as an institution, however, the contrary result ensued. Divorce became common, separations even

more common. In all countries where modern industry has developed, the same change is noticeable. The family is no longer anything like the institution which it was.

“And now we are entering upon another economic epoch. It has been approaching gradually for fifty years, but its progress has been accelerated inestimably by the war. And with the war have come three most startling changes in the social status of women.

“In the first place, the sex balance has been decisively upset. Many millions of eligible young men have been killed. Other millions have been rendered unfit for the responsibilities of marriage. There won't be nearly husbands enough to go round; an important factor to be considered but by no means the most important. Even more important, it seems to me, is the fact that women never had so little use for husbands as they have to-day in those countries which have been longest and hardest in the war.

“The world war has brought the economic independence of women to a degree which few people have ever dreamed of. Women have taken men's jobs by the millions. In many they have proved more efficient than men. They are already in possession of economic power and are gaining political power fast. They might abdicate, after the war is over, in favor of the men—if they could get husbands in return. But they can't do that.

Will they abdicate in favor of nothing at all?

“There is still another fact to be considered, and that is the emphasis that has been placed upon child-bearing by all the nations at war. A child now has the right to be born, and his right to be fed is being recognized as well as his right to be educated. The states are assuming the responsibility—taking it away from the individual father. Economically, husbands were never so little in demand.

“But there has been no change in human impulses. Love and the love of children are as deeply implanted in human psychology as they ever were. They will continue, whatever form of expression they will take, and there will be no lowering of ideals. Ideals are born of circumstances, and only those with their eyes to the past are shocked when the ideals which no longer work give way to others. Our present code of morality, it seems, will not fit the new conditions. Shocking or not, there will be a change.

“No, I can't say what it will be. Polygamy is unthinkable where women are free, but some shifting from our present ideals of marital monopoly seems sure. Not until peace is declared and the millions return from the trenches to resume their civil life can we safely speculate on what will happen. The war will have done unspeakable things to them. They will not be the same men who went to the front. Whatever will have happened to

them will largely determine what will happen to society at large. One thing, however, seems evident. They will not submit to the old neglect on the part of society again. Whatever they are, they are armed and powerful, and they are going to insist on a different deal."

CHAPTER XV

WILL CHILDREN GAIN THE RIGHT TO LIVE

THE sex balance upset! Women economically independent! All the nations beginning to concern themselves with the problem of assuring adequate care for every child! "Husbands never so unnecessary as they are to-day!" To get a line on what this combination of circumstances must inevitably lead to I was afraid to go to anyone of pronounced radical thought. It would be too easy to read into them the complete negation of marriage.

On the other hand the United States Government had not undertaken, so far as I could find out, any revolutionary measures for child welfare, unless the acceptance of the Declaration of the War Labor Board might be analyzed as such.

That Declaration, as Miss Anderson had pointed out, had called for equality between the sexes as far as the pay envelope was concerned: and it had guaranteed to every worker a wage that would be sufficient to support himself (and why not herself?) and family in health and rea-

sonable comfort. What would be the result if the telephone girls, for instance, should demand wages that would support a family in health and reasonable comfort?

"Nonsense! You haven't any family. You are living at home and are only expected to help out in the family's income. Or you are boarding in one room with another girl—and neither of you expects to hold the job after you are married."

"What has that to do with the case?" the girls might well reply. "A lot of male employees aren't married, but the rule applies to them. In fact, it was for the express purpose of keeping wages from falling to the individual standard that the rule was made. Does it or does it not apply to women workers?"

And if the telephone girls should organize and try for this collective bargain, it would be hard to see how they could fail to gain their point.

Then, with the economic right to raise a family secured, would that make any difference in their attitude toward love and marriage—especially when there were not nearly husbands enough to go round?

Once again, I cannot answer. All I can say is that revolutionary changes in our economic conditions in the past have been followed by revolutionary changes in our ethical concepts. Before the advent of capitalism it was not "moral" for a young woman to defy her parents and marry the

man she loved. Presently, however, it became highly moral; and the father who still sought to assert his traditional rights became the butt of ridicule. So radical was the change, in fact, that the girl of to-day who marries someone she does not love, out of deference to her parents' desires, is not considered a very high type of womanhood. That is, unless she belongs to one of the royal or feudal families—to that state of society preceding capitalism.

The family, as Prof. Dewey had pointed out, was a much stronger institution in those days when it was founded upon economic security instead of upon romantic marriage. To-morrow, with economic security for mother and children attained, might not the whole ethical concept of monogamous marriage disappear?

Is it a sin for a woman to have a child? It has generally been considered so: and in the ancient religions every mother was expected to atone with appropriate religious ceremonies. Gradually, however, "mother" became an even more sacred word than "maiden," and only the illegitimate mother was held in disgrace. "Father," in the meantime, became so sacred that we named the Almighty after him: only in the last 200 years has Dad become a joke.

The vital question is, Will it continue to be a sin for a woman to have a child unless that child is the issue of a duly registered permanent union

between one man and one woman—at a time when women are amply able to support a family and there aren't nearly men enough to go around?

The questions presented such a mass of suggestions that, as I said, I hesitated to consult any flighty "radicals" upon the subject.

Instead, I went to a practical scientist, a conservative physician, probably the best known child specialist in New York. Dr. Henry Dwight Chapin, intellectually and temperamentally, belongs to the old order. He is Professor of the Diseases of Children at the New York Post-Graduate School and Hospital, the author of several books on child welfare and a man who has given his whole life to philanthropic work for children. At the time he was particularly concerned with the problems of the child in wartime, the malnutrition and delinquency to which, under war conditions, children have historically been subjected.

"What must the United States do," I asked him, "in order to conserve its children? Is the care of children still an individual problem? Obviously, there is no more important question before the Nation: in these times when almost every national need is being met by national action, must this problem still be left to the individual parents or to charity? Or is there a national program, a prescription for child welfare which you would urge as a collective policy?"

"There are two ways to approach the ques-

tion," the doctor began. "There is the welfare of the child and of society at large; and on the other hand the practical considerations which compel us to abandon any theory, no matter how good it may sound, as soon as it is seen to run counter to the fixed convictions of almost everybody. No matter how scientific a prescription is, it can't do any good if the patient won't take it. One type of doctor then will content himself with giving the patient something he will take, even though its benefits be relatively small. Another will leave his prescription and put it up to the patient to swallow it or suffer. From which angle do you want me to answer your question?"

"Which kind of a doctor are you?" I asked in reply.

"A doctor hasn't done his full duty," he answered, "until he has at least tried his best to make the patient accept the prescription which will cure. On the other hand, I have no patience with these social doctors who lose interest in the case simply because their theories are not accepted. There is a certain type of Socialist, for instance, who has a theoretically sound prescription for the abolition of poverty. But the public won't take the prescription, and the Socialist sulks. Can you depend upon him to work for child welfare, to find homes for homeless children and mothers for the motherless? Not he. He has offered his cure, and if society doesn't take it, so

much the worse for society. If you will try to make it plain that I am not prescribing for America in any such spirit I will try to give the prescription which I believe we must eventually accept.

“In the first place, America IS her children. Without her children America would cease to exist. America cannot afford to let one of the least of these, her children, suffer. If poverty saps their lives, it is true that we must abolish poverty as far as children are concerned. The Socialist contention is perfectly scientific in that, only we must do much more than abolish their physical poverty. We might give our children all the food, clothing and shelter they could possibly use and still leave them in a state of terrible poverty.

“Taking children from poor homes and putting them in rich institutions would be treason to humanity, and most institutions are not even rich. A child’s need for mother love is just as great as its need for milk. The physical death rate in some of the best of our institutions is frightful. The spiritual death rate is probably greater. Any scheme which tends to break up the home and substitutes collective care for a mother’s personal love and watchfulness over her own brood is inhuman and unnatural. And still it seems that society must assume collective responsibility for the support of every child.”

"How?" I asked.

"I am a physician," the doctor answered, "not a sociologist. To me the important question is not how we shall do it. I don't care how. I only say that we must do it. There are several ways suggested. One is to be more severe in our prosecution of neglectful or deserting parents; to compel the father to work steadily and to provide suitable conditions at home. It is the system which is generally in use to-day, the only objection to it being that it often doesn't work. Another method seems to me more simple, but it would probably be met with more clamorous objections."

"And that is?" I asked impatiently.

"TO ENDOW EVERY CHILD."

Four words! But I don't know that I ever heard four such meaningful words before. They seemed simple, but when the doctor began to point out their meaning the Russian revolution looked small in comparison.

"To endow every child?" I asked. "To take from the individual the responsibility for the child's support?"

"How many children have you?" the doctor asked.

"None," I said.

"What salary do you get?"

I told him.

"I know one father of ten," he went on, "who has an income of about one-fourth as much. Just

who, I want to know, is dodging his responsibility? Those ten children are all capable of becoming good, stalwart Americans if they are not destroyed by poverty. They have a good father and mother, who would be almost ideal parents if it were not for the hardness developed by overwork and want. But the minute I suggest solving that problem for them the man in your position is afraid that Tony's character is going to be undermined. Pardon me if I suggest that the collective handling of this problem would increase rather than diminish individual responsibility. As a matter of fact, piling more responsibilities on one man's shoulders than he is able to bear creates discouragement, and discouragement ends in running away from all responsibility. If we expect our soldiers to do their full duty, we must see to it that they are fully equipped. We must not expect them to face the enemy's cannon with bare fists. If we should habitually compel them to do that, the greatest heroes in the world would soon learn to run away. And yet we expect Tony to present society with ten first-class citizens without financial equipment enough to bring up one. What I suggest is merely a universal child insurance; not merely insuring parents against funeral expenses, but actually assuring the child's life and health and happiness. And I would increase everybody's responsibility to bring about that much-desired end.

“Surely Tony should be made to work. But so should everybody, whether he has children or not. And from the wealth thus created the Nation would not find it difficult to provide adequately for all our children.”

“Frankly,” the doctor added, “I do not think the American people are in any mood to accept such a prescription now. They do not see the urgent necessity of it, and the suggestion goes counter to some very deep-seated beliefs. A sudden crisis might put the whole situation before them in a new light, so that they would consent to such a radical departure from their accustomed habits; but I am not optimistic enough to expect them to see it now. All I hope for immediately is that we shall begin to deal with the question from the new angle.

“If Tony, for instance, were to go to the average Charities Department to-day, explaining that his income was not enough to support a family of ten, the Charities Department would almost certainly suggest that some of the children be taken away and placed in an institution for dependent children. This is a sort of civic kidnapping which violates the most sacred instincts of the parents and condemns the innocent children to a certain amount of helplessness and hopelessness.

“What the department should do, and what we should all insist on the department’s doing, is to increase the family’s income to a point where Mr.

and Mrs. Tony can care adequately for the whole brood. This could be done if the money that is expended in keeping children in institutions were deflected to the family home. Such work should, of course, be guarded by careful investigation and oversight. Such an attitude on the part of our charities generally would be a big step in the right direction. The whole problem cannot be solved, however, until we as a community insist upon the adequate support of all children in their own homes, not waiting for the individual parents to plead their poverty.

"There would be no limit to the size of families," I suggested, "if there were no personal responsibility to pay for their support."

"There is no limit to the size of families to-day," he answered, "among the very poorest of our population; no limit except the limit of human endurance. Undoubtedly some of our middle-class people, with good homes but uncertain finances, would have larger families than they have to-day, but I cannot see any disaster to society in that."

"But," I protested again, "would not thousands of young couples rush into hasty marriages, knowing that the cost of bearing and rearing children would be assumed by Uncle Sam?"

"I should hope so," the doctor answered. "I should hope that marriages would be about eight or ten years more hasty than they are to-day."

Physically and psychologically, early marriages are the best. Normally, people should mate before they become too set in their ways and too incapable of adjusting themselves to each other. And there is nothing that threatens the social health any more than this condition which makes early marriages almost impossible. For ten years after they should be happily mated our young men are left to sow their wild oats—because they think they can't afford to get married. It shouldn't cost anything to get married. If the choice must be made, the tax should lie heaviest upon those who don't. They should at least be made to pay for their freedom by contributing an equal share to the support of our children."

"But would not some women have children without marrying," I asked, "if the problem of economics were solved for them? Wouldn't there be an increase in illegitimacy?"

"Not if I had my way," he answered. "If I had my way there wouldn't be any illegitimate children. I would make them all legitimate, no matter who brings them forth."

Dr. Chapin, as I said, is not a "radical." He is a sincere believer in marriage and the home—in conventional marriage and monogamy. But he is also a believer in humanity, and he doesn't think that there is any people on earth so free from sin that they can afford to punish mothers and babies for being mothers and babies.

As a child specialist he has become well acquainted with the problem of illegitimate children and he has found happy homes and pure motherhood for very many of them.

"Utterly bad women," he said, "do not become mothers, though it is quite possible for us to make them bad afterward by denying their children a right to live. The women of the streets do not have children, either they use illegal preventives or they are kept from motherhood by the diseases of their calling. I have found in my own observation that the unmarried mother is usually the victim of unrestrained love. The illegitimate child may be and often is a better endowed child, physically, mentally and spiritually, than the average legitimate child. That is because the love that brought him into being was so spontaneous, so deep, so intense that it broke through all the conventional restrictions, even the restrictions of respectability and morality."

"And you would make all such children legitimate?"

"Why not?" the doctor asked in reply. "Obviously, if a sin has been committed, the child is not responsible. But more to the point in this discussion, the Nation cannot afford to wreck these young lives either through poverty or disgrace or by turning them over to the mechanical charity of institutions."


"And you would have society as a whole endow

all such children, providing its mother or its legal guardian with sufficient funds to assure its ample support throughout childhood?"

"I would have society at large endow ALL children," the doctor amended—"children of the poor and children of the rich; children of the married and children of the unmarried. If we attempt to discriminate against the rich in such a matter, it only ends in discriminating against the poor.

"If, for instance, our schools were made free to the poverty-stricken, while the children of the well-to-do were compelled to pay tuition, many of the very poor would take their children out of school rather than admit their poverty and accept the charity. Suppose our parks were free only to those who could prove absolute poverty, how many children of the poor would enter them? The great majority, I believe, would not.

"As to the expense, it has been pretty well proved that it is cheaper for society to keep a child in school than to let him run at large. It is cheaper to keep children in the parks and playgrounds than it is to keep them on the streets. It is cheaper to produce good citizens than to produce criminals. It is cheaper to keep children well fed, happy and brimful of health than to let them get sick and miserable and sore at the world they live in. The real trouble is that, although it is far cheaper in the long run, so many parents



either lack the capital or the natural ability to keep them thus. Society then has to pay the bill eventually in hospitals, poorhouses, insane asylums and prisons, and in general loss of efficiency even among those who do not become utter derelicts. But the Nation does not lack either the capital or the intelligence. If we cannot all save individually, we can save collectively. Every step toward social insurance is proof of that. All the fire, life and accident insurance schemes, in fact, are demonstrations that collective saving and collective acceptance of certain responsibilities are more economical and more efficient in the long run than individual saving and the individual acceptance of all these risks.

"In my practice," the doctor concluded, "I have seen something of the way this placing of the whole economic burden of children upon their individual parents works. Rather, how it doesn't work. I have seen the largest families living in the smallest houses, because with so many children they had to cut down on the rent. There is certainly no advantage to society in that, although a few childless individuals may be better off financially because of it. I have also seen young men and women putting all thoughts of marriage out of their minds because they cannot accept the financial responsibility for it; because motherhood, the greatest of all services to society, doesn't pay. Such a situation can only lead to

immorality, neurasthenia or defeated existence in one form or another; and if as a nation we do not take up the responsibility, it can only end in national defeat. No, I am not a sociologist: but I can't see that it takes a sociologist to perceive that our children have a right to live, and that marriage should not be denied to our youth in Nature's normal mating season, to become a luxury for the prosperous and the middle-aged."

CHAPTER XVI

PROFESSOR VEBLEN INTERVIEWS ME

I HAD just returned from Washington. I had been interviewing the big leaders of American industry and the great organizers of American labor. From all angles, from executives and engineers, from bankers and workingmen, from manufacturers and labor union delegates, I had heard one phrase, repeated and emphasized and repeated again: that was "Industrial Democracy." Not only was everybody for it: everybody seemed to agree that it had almost if not quite arrived. Each had his special interpretation of the term, perhaps, but there was a unanimity and uniform enthusiasm for the new ideal that astonished me.

Now, I am a sort of a Socialist: and Socialism and industrial democracy have always had very much the same meaning to me. I was thrilled, excited. I wanted like everything to talk it all over with certain Socialist acquaintances. So I telephoned to Art Young.

I found that Mr. Young was "in court." That very afternoon the Federal District Attorney was

doing his best to send him and several other Socialists to jail for the rest of their natural lives. It was not claimed that these men were pro-German. It was expressly conceded that they were not. But along with scores of other Socialists throughout the country, they were being tried for criticizing the Government in words and pictures which the Government called seditious. Somehow, when I talked things over, I failed to gush as I had expected to.

Was our Government becoming Socialistic? If so, what were all the Socialists kicking about? Were our industries becoming socialized? If so, why was it necessary to send so many Socialists to jail? The situation confused me, and I looked up the most matter-of-fact economist I could find. For absolute detachment from the turmoil of the day, I could think of no one who would equal Thorstein Veblen: and so I went to him and asked for an interview.

Mr. Veblen refused. He has a rule against being interviewed. I talked with him for three hours, but he wouldn't answer any of my questions. He asked others instead. I promised that I wouldn't interview him: but I have no rules against any sufficiently matter-of-fact economist interviewing me. That is what Mr. Veblen did, and I see no reason on earth why I shouldn't tell about it.

"Are you sure," he asked, "that American industry is becoming socialized?"

"Sure," I replied. "The War Industries Board is running everything. It tells the manufacturers just what they must manufacture and allows them just so much material with which to manufacture it. It has practically eliminated competition: and instead of allowing products to be sold in the open market, it is actually setting limits to the prices which may be asked. The War Labor Administration, on the other hand, is preventing strikes, sometimes by giving the strikers more than they demand. It is conceded everywhere that the worker has a right to live, and a right to wages at least sufficient to keep himself and family in health and reasonable comfort."

"Does he still have the right to strike?" the professor asked.

"Hardly," I answered. "The right to strike has not been taken away by law: but the new conditions make it practically compulsory to submit all grievances to the War Labor Board. I understand, however, that the individual rights of the workers are still guaranteed by the Constitution."

"Is there anything about the War Industries Board or the War Labor Board in the Constitution?" he asked.

"No," I said, "they are extra-legal bodies."

"And they are running everything?"

"They seem to be."

"Have you heard of any movement to abolish them?"

"No," I said, "not at least for the duration of the war. They seem to be generally recognized as necessary."

"And these civil rights which you speak of," he asked, "are they recognized as necessary?"

"There doesn't seem to be any great enthusiasm for them," I admitted. "The courts may seem harsh in their punishment of those who criticize the Government, but they aren't anywhere near as harsh as the average man in the street. There is an almost unanimous feeling against everybody who seems in any way to be opposed to the war. If some of them weren't jailed, they would probably be lynched instead."

"Even some who are absolutely innocent?"

"Probably."

"In spite of their constitutional rights?"

"Yes."

"Tell me," he said, "just what these constitutional rights are."

"A free press," I said, "and free speech, the right to express any opinion and to criticize any political act or any person in the Government; also the right to free contract and——"

"What do you mean by free contract?" he asked.

"I suppose," I answered, "that it means the right to sell one's labor anywhere one wishes for whatever wage one may be able to get."

"Regardless of whether the wage is sufficient to

support the worker and his family in health and reasonable comfort?"

"Yes," I admitted. "The Constitution guaranteed the right to look for a job, but it never guaranteed a job. Then, if the worker did find a job, the Constitution didn't guarantee that he wouldn't starve to death just the same. It was strangely silent on the right to a living wage."

"And these other rights?" the professor asked, "are they guaranteed? Is the press free?"

"It is supposed to be," I said, "if it doesn't print anything to which the Postmaster General or one of his subordinates may take exception. Congress recently passed an espionage law leaving the judicial determination of what may be printed to the Postmaster General."

"What does the Constitution have to say about that?"

"It says that Congress shall pass no law abridging the right of free speech."

"Is this espionage law working?" he asked.

"It is," I said, "hundreds of people have been sent to jail for violating it—many of them under sentence of twenty years."

"Is the Constitution working?" he asked.

"It must be," I said, remembering that making any contemptuous reference to the Constitution was one of the crimes defined in the espionage law.

"Could we have a free press in war-time?" was the next question.

"Nobody seems to think so," I answered. "That is, nobody except the Socialists who are being sent to jail."

"Do you happen to know," he asked, "where all these notions of human rights originated?"

"Yes," I said. "The statement of these inalienable rights was the very back-bone of the French Revolution and of our own Declaration of Independence. Certain truths were held to be self-evident: among them that all men were created free and equal."

"Are these things self-evident still?"

"I don't know," I answered.

"Were there any slaves in America in those days?"

"Yes, Jefferson owned a few."

"Were they created free?"

I did not answer.

"Were they all equal to Jefferson?"

Again I did not answer.

"How did these things come to be self-evident at that time?" he asked, "at the period which included the French and American revolutions?"

"It was a great transition period," I replied, "the period of transition from feudalism to capitalism. In order that capitalist industry might be developed, it was necessary that labor should be freed from the soil—free to work for whatever master it might choose, at whatever wages might

be determined by the law of supply and demand. It was also necessary that the capitalist should be free to embark on any enterprise, free to hire men as cheaply as he could get them and to sell his product at whatever price the market might bring."

"Did the revolution accomplish all this?"

"Unquestionably," I said.

"And the capitalist now produces whatever he sees fit to produce and sells it in the open market, securing his labor at whatever wage the individual workers are willing to sell their labor for?"

"Hardly," I said. "He makes whatever the War Industries Board permits him to make, sells it at prices which the War Industries Board sets, and pays his labor whatever the National War Labor Board declares he must."

"How do you account for it?" he asked.

"We are passing through another period of transition," was the only reply I could make.

"Which of these world changes produced the Constitution and our Federal Government?" was the next question.

"The transition from feudalism to capitalism," I answered.

"And which produced the War Industries Board and the War Labor Administration?"

"The transition from capitalism to this new system, whatever it is, which everybody is calling Industrial Democracy."

"And which period produced the watchwords of individual rights—the ideal of free speech, free contract and that sort of thing?"

"The former," I said.

"How long ago was that?"

"A hundred and fifty years or thereabout."

"And which produced the ideal of the living wage and the notion that industry should be the servant of society at large instead of the private property of the individual adventurer?"

"The present," was my obvious reply.

"Thank you," said the professor, just as though I had given him some information. I knew I hadn't. Not a thing had been brought out which any schoolboy could not have answered just as well.

"What are you driving at?" I asked him. "Do you mean that these ancient rights no longer inspire the people of America?"

"Do they?" he asked. "Or is it true that that was 150 years ago, and that the people are getting impatient of those who are most loudly proclaiming that they stand on their constitutional rights?"

"Do you mean," I asked, "that the average American is so interested in getting a living wage that he is no longer enthusiastic over his right to——" I hesitated. I hardly knew just what "right" would make the most rhetorical balance here.

PROF. VEBLEN INTERVIEWS ME 193

"His right to work for less?" the professor asked.

"Seriously," I protested, "is it possible that we are so engrossed in the solid, material benefits of the present change that we are losing the idealism which inspired the founders of our Republic? Is it possible that we are so interested in the attainment of economic security that we have ceased to care about our right to——" I hesitated again.

"About our right to be insecure?" he queried.

"Is it possible," I began again, "that our whole political fabric is decaying and that this new industrial administration is taking its place? Is that why Congress apparently abdicated and left the real administration of the country to these extra-legal bodies?"

"Has Congress abdicated?" he asked.

"Not officially," I answered. "But no one has seemed to care what Congress did or did not do, so long as it did not interfere with the plans of the Administration."

"What is Congress?" he asked.

"It is a body composed of representatives of all the people to take such action as the people consider advisable."

"And what is the War Industries Board?"

"A body composed of the representatives of American industries to take such action as is industrially necessary."

"And what is the War Labor Board?"

"A body composed of representative employers and employees to find the conditions upon which it is possible for them to work in harmony."

"And which of these bodies has been actually governing the country—the one which has been debating on what action is advisable, or the ones which have been finding out what actions are necessary?"

There was only one answer and I gave it. Our old political fabric, I declared, was practically dead, even if it hadn't been officially embalmed as yet: and no one could expect a dead body to do things.

"But isn't there something a dead but not embalmed body can do?" the professor asked.

"It may give off a bad odor," I remarked.

"Was it the War Industries Board," he asked, "or the War Labor Board which passed the espionage law?"

"What are you driving at?" I asked again. "Won't you state in a sentence or two why it is that a country plunging headlong into what seems like socialism is cheerfully jailing so many Socialists?"

"I refuse to be interviewed," said Mr. Veblen.

CHAPTER XVII

CONCLUSION

ONE of my first newspaper assignments in New York was to write up a "self-government" school somewhere on the East Side. The teachers, I was told, had nothing to do but teach: the discipline of the school was entirely in the hands of the students. They made their own laws, devised their own punishments and elected their own legislators, judges and administrators. I was enthusiastic for the story. I remembered my own school days under the hated tyranny of the teachers and this wonderful application of "democracy" was just what I was waiting for.

That was five years ago.

I never wrote the story. Everything panned out exactly according to the prospectus, but the exhibition of applied democracy left me unutterably depressed.

Straight lines of little kids, eight years old and up, marched in perfect step from class to class. Their joyless faces turned neither to left nor right. They might have been marching to a fac-

tory for all that anyone could tell. There was nothing of spontaneous childhood, nothing of the unruly glory of life in any of their movements.

Just once was the monotony broken. On a stairway between two halls, one listless youngster broke the line. Another, probably two years older, whose sacred duty it was to keep the line straight, stepped up and punched the delinquent marcher in the ear. The youngster whimpered and stepped back into place. Law and order had triumphed. The line was saved.

On investigation, I found that the elections in this school were tremendously exciting. It was every child's ambition to be elected Chief of Police. If he couldn't hope for that, a judgeship would do: a judge, if he were a live wire, might inflict nearly as much torture as a policeman.

The "legislature" had just one function: to think up new restrictions to place on everybody. Scarcely a day passed but some new "crime" was invented. Perfect order having been attained in school hours, they began to regulate life outside of school: but not having direct authority to punish here, the children began reporting each other to the city police. A child who threw a gum-wrapper in the street was immediately apprehended. If one of them rang a neighbor's bell and scooted, he was sure to be caught. The only thing that broke up the practice, I was told, was that the informers

were invariably disappointed in the punishments meted out.

Altogether they were the most orderly and saddest group of children I ever saw.

Some time later I was sent to investigate a queer school in the Bronx: Public School No. 45, Angelo Patri principal. In this school, to all appearances, there were no rules. The children, at least, didn't seem to be conscious of any. They were not "self-governing." A policeman, to them, was the blue-coated friend who lifted them over the crossing. A legislature was a place where good boys might go to by-and-bye; but like another place which answers that description, nobody seemed anxious to go. They were all too busy. And they were all having too much fun.

I saw 300 of them in one big room. Twenty teachers were on hand but they were not trying to maintain order. They were having fun with the kids. There was a bedlam of noise but no one seemed to hear it. Not a child seemed to notice my coming in. They were all too interested in what was going on.

There were twenty groups. Some of them were dancing. Some were playing games. Some were enacting a pantomime. Some were drawing pictures. All were radiant, many of them screaming with delight. In one window, an eight-year-old kid, utterly oblivious to the pandemonium, was writing a free-verse poem that had just occurred to him.

This was play-time in Public School 45. The "discipline" of working hours, however, was not much different. There was no great noise or disorder then, but no all-pervading fear that the sacred silence might be broken. The children didn't march to their classes. They scampered if they felt like it, and sauntered if they had a different need. They went by twos or threes as the spirit moved, but they went gaily, expectantly, all alert and alive, each with boundless faith in the hour just ahead. And they were going, remember, to their *classes*.

For work in Public School 45 was hardly distinguishable from play. Arithmetic might be learned through cooking and figuring up the cost of the meals. Geometry might be learned through making tables and chairs, botany through long tramps in the woods, spelling through actual work in the school's printing office and drawing through the creation of real posters advertising real articles, which real business men sometimes bought and paid for.

The memory of these two schools has remained with me ever since. To-day that memory is inextricably connected with two other pictures in my mind—one of a "self-governing" group of 100,000,000 grown-up children inhabiting this hemisphere in the year 1914, the other the picture of a new and strange order, abrogating most of the cock-sure formulas which we had called Democ-

racy but extending to everyone a hearty welcome to the fullest possible realization of life.

I am not fastidious about terms. I leave it to my readers to decide which of these two schools—and which of these two civilizations—is the more democratic: the one devoted to government by formula or the one devoted to respect for fact.

“But isn’t compulsion necessary?” I asked Angelo Patri. “Don’t you believe, at least, in compulsory education?”

“Oh, yes,” he said. “My idea of compulsory education is to compel the school to be so interesting that no child can stay away.”

Someone’s idea of the prosecution of this war was to organize the machinery with which we were working so that 100,000,000 people would work in harmony. I do not claim that the job was ever quite completed, any more than I would claim perfection for Angelo Patri’s school: but it is obvious that a sufficient change has been made so that it will be very difficult to resume our sad old formulas.

And the change, let me emphasize in Professor Woodworth’s words, did not come because we were fighting for Democracy but because we were fighting on so large a scale.

It will be difficult, I say, to resume the old order. It is conceivable, however, that Congress might enact a law to abolish the War Industries Board and the other agencies which transformed

our country within a few months from a state of helplessness to one of irresistible power. But would such action result in abolishing these boards? And if it did abolish the boards, would it abolish the co-operation which they have brought about?

The National War Labor Board might be abolished and every Government guarantee entitling each worker to a living wage withdrawn. But would the American worker, with a year of different experience behind him, calmly consent to a program of starvation?

I will not answer. It is obvious, however, that Congress can not abolish the American worker, but the American worker *could* abolish Congress.

Early in 1917 a revolution in Russia cheered the heart of almost every American. It was followed by a revolution which American democrats could not possibly understand. In the first revolution, the Russians abolished czarism. In the second they cried: "Down with the Constituent Assembly—All Power to the Soviets!" The Soviets were the industrial organizations of Russia who had functioned temporarily as an industrial administration.

In America we also had an industrial administration, but few Americans seemed to know it. There was no thought of abolishing Congress but only the hope that Congress would be good. But if Congress had not been good—if our old form of

political government had found it impossible to get out of the way of the big, new, necessary machine—a far different chapter of American history might easily have been written. As it was, these extra-legal agencies conducted the war and constituted the real government of America in the most eventful year through which we ever passed.

During that period, American labor ceased to be a commodity in the full sense of the term: it might continue to demand higher and higher wages, but it could not be forced to a standard of living below that of reasonable health and comfort.

During that period, most of the products of the country also ceased to be commodities in the former sense. Price-fixing began and profits were no longer determined solely by the law of supply and demand.

During that period the whole system of production for profit was practically swept away and production for the Nation's need was instituted to take its place. Profits and profiteers there were, but the basic motive of industry had been changed.

During that period, our industries were mobilized for a common end and competition was practically abolished.

And during that period, we made our first National effort to abolish the labor turnover and to keep the man-power of the country steadily and productively employed. Before this we had ac-

cepted strikes and unemployment and industrial depression as visitations of fate, and each succeeding Congress proved impotent to deal with them. Now, although Congress seemed as impotent as ever, the Nation was dealing with them in a vital way. It didn't abolish strikes and unemployment and the labor turnover; but it took the first concrete steps toward their abolition, with so much success that America won the war.

What next? Without assuming the rôle of prophet, one may reach a few obvious conclusions. The old system broke down. It didn't work. That is why it was superseded. The new system worked so well that it surprised the world. One would like to say that it is unthinkable that we shall attempt to take up the broken-down system again, but it is not unthinkable. Nations, like individuals, have an infinite capacity for making fools of themselves, and there is no natural law that forbids us to try anything twice. All that is unthinkable is that this broken-down system will work. And if it doesn't work, we shall be very apt to return to the one that did.

Sooner or later, then, it is to be expected that America will begin to prosecute peace with something of the same energy and intelligence with which she prosecuted the war. And as in the war there was no cut-and-dried plan, but a constant development toward co-operation and co-ordination, we may expect that development to continue.

The living wage, then, may be considered established. Price-fixing has begun. Strikes occur daily, but most of them are mere formalities, and the strikers return to work as soon as they get their grievances before the National Labor Board. On this board, the right to organize is considered sacred, also the right to collective bargaining; while the workers themselves have 50 per cent representation in the tribunal which is to hear their case. Generally, then, they win their point; and in some cases, they get more than they are striking for. That was the story of 1918. There is no reason to believe that this process will stop.

At first, every raise in wages was added to the price of the commodity; and when the process had been completed in a sufficient number of industries, the wage-increase was found to have been more than swallowed up in the increased cost of living. With the advent of price-fixing, however, a new economic factor began to assert itself.


There was a very general howl from the old-line capitalists. They must pay a living wage and generally they had to concede a shorter workday, too; but there was no maximum, no limit to what labor might demand. Prices, in addition, were fixed, so that there was no chance of getting more for the product. What was to hinder labor from striking until every chance for profit had been squeezed from the industry, until industry itself was "paralyzed by the unchecked greed of the

workers?" And so the agitation for a "maximum wage" began.

Labor became alarmed. To the average union man, the idea of a maximum wage was abhorrent. It meant fixing a limit to his human opportunities. It meant consigning him eternally to a certain level of achievement. If labor were allowed to go on indefinitely, gaining a little every year, it might be content: but to be told that, whatever happened, it could only go so far—well, the mere mention of the suggestion provoked uniform suspicion. And while American capital and American labor seemed to be lining up on this issue, the war neared its end..

In Russia, in the meantime, the same issue had been met: and the capitalist had been squeezed from industry. Incidentally, industry itself had been so badly squeezed that few Americans looked favorably on any such solution. It had resulted in general chaos for Russia, we said, and there was no danger of the crazy scheme being copied anywhere else. But hardly had the Central Powers begun their suit for peace than it became apparent that dreaded Bolshevism had begun to function there as well.

One does not have to be a prophet to observe that the influences which produced Bolshevism in Europe are at work in America as well. With labor once in the saddle, there is no question concerning the direction it will go. And the only



limit it will recognize is everything that can be grasped.

The only question then is what method American labor will pursue in gaining everything that labor can possibly achieve. Will it instantaneously squeeze out the capitalists? The answer is that it has shown no tendency to do so yet. While almost every other nation on earth has been torn with a class struggle, the United States has worked industrial miracles amid unprecedented industrial harmony.

Will American workers then continue to co-operate with American employers? That depends, it may be said without prophecy, on whether American employers continue to co-operate with them. The Industrial Administration of America, imperfect as it has been, has wrought a constant development toward co-operation. Necessity, not idealism, pointed the way. If the Nation is not to be torn in two, that development must continue: and it may be expected to continue through a continued industrial administration.

And as to the maximum wage? Can we have continued "collective bargaining" in a market which has ceased to be a market and where everything in the nature of a bargain is impossible? The employer once called it a bargain when starvation compelled the worker to sell himself for less than a living wage. The worker may still call it bargaining when power permits him to ex-

act the full product of his toil. In neither case is bargaining the correct term, but it is the one in use and, therefore, the only one that can be used.

With an industrial administration in continued operation, there is every hope for a peaceful transition to complete ownership and control of America by its useful workers. Without such an administration, the class struggle must proceed in violence and disorder. In one case the workers will continue to strike, regardless of what wages are received and regardless of any attempt to set a maximum. In the other, they may be expected to find out just how great a return in wages an industry will stand.

In the former situation, the inevitable tendency will be to paralyze industry as it was paralyzed in Russia. In the latter, there will be every motive to secure uninterrupted maximum production.

The workers then will be as interested as the capitalists in economical production. They will be anxious to eliminate competition, to simplify distribution, to save labor and to reduce prices to such a figure that things will almost sell themselves. They will not only be interested in their own industries but in the manufacture of everything they need. Insofar as capitalists are managers and planners of industry, these are the things which interest them as well: only insofar as they are exploiters will they object to any help toward solving these problems that the workers may con-

tribute. From "collective bargaining" the workers may gradually advance to collective management; not through any political, debating-society methods, but through first-hand acquaintance with the facts.

Speak to the average worker to-day about socialism, and he thinks you mean the management of our industries by some sort of Socialist convention. He has attended Socialist conventions and he knows it can't be done. He knows that no convention can manage a mill. He knows that Congress can't do it; that no constituent assembly could do it; that even his local union couldn't do it. No one but a mill-manager can manage a mill, and the mill-managers are all owned by the capitalists. The worker therefore hesitates at attempting management and contents himself with striking for whatever he can get.

Disastrous as the ensuing interruption to industry may be, industry has always managed to worry along until the workers, lined up solidly against the owners and all the forces of management which the owners control, have begun to get the upper hand. When they do get the upper hand, under such conditions, an industrial knock-out is inevitable.

This complete knock-out occurred in Russia. It is threatened in every European country. Only in the United States has the war proceeded without a distinct intensifying of class antagonisms.

I do not need to say why. The answer is given in almost every interview contained in this book. In the United States there has been something more than a verbal agreement to insure uninterrupted production. There has been a real industrial administration in which the workers have gradually taken a greater and greater part. In the United States the worker has been undergoing a transition so peaceful that he has scarcely tried to analyze it. This is the key-note of the Great Change as it is taking place in America—the transition of the worker from the status of a commodity to the position of citizenship in an industrial democracy.

Mr. Schwab, conservative though he is, speaks confidently of the new order just ahead: not a dictatorship of the proletariat but a world in which all useful workers of every degree shall co-operate toward a common end. Mr. Baruch speaks of the revolution as having occurred, with the reservation that we may be legally compelled to go back to competition after the war. As I re-read his interview, I do not fear a revolution in the United States so much as I fear a counter-revolution: and a good many lesser capitalists with whom I have talked have confirmed my fears.

“But where will it all end?” they have asked, speaking of our War Labor Administration.

“It will end with the complete control of industry by the workers,” I have been forced to answer.

I haven't given myself as an authority. I have given the statements of the biggest brains in their own capitalist group.

"The proletariat can not manage industry," they have insisted. "In Russia——"

"But why not avoid the Russian debacle in the United States?" I have asked. "Why not place all your engineering and managerial skill at the service of labor, instead of using it to fight the inevitable rise of the working class?"

Could this be done? The answer is that it was done, to a startlingly great extent, for the duration of the war. The bulk of the managerial brains of the Nation were actually mobilized for the common good. To be sure, the process was only begun when the war clouds began to fade away: for so tremendous was the power generated even from this beginning that the greatest military force on earth could not combat it. Whether we continue that mobilization, and go on to that prosperity which is "staring America in the face," or whether we pick up the class war where we dropped it and follow it out to inevitable chaos, depends, of course on the failure or success of the counter-revolution.

One phase of the Great Change I feel that I should emphasize. It was not a welfare movement. It did not consist of philanthropists getting together to do things for the working class. So long as the workers were content with their old

conditions, the National War Labor Board did not interfere. The Labor Policies Board did introduce some better methods, but only for the sake of increased production.. In general every advance the workers made was initiated by the workers themselves and the National War Labor Board was largely their own creation. That it was accepted as the principle of the Administration was a credit rather to the intelligence than to the friendliness of the Government.

As I stated in my preface, I do not see any Utopia ahead. The counter-revolution may be successful and we may find ourselves deprived for years to come of the advantages which a continuance of our present industrial administration might bring. And if the counter-revolution should fail, it is obvious that labor can not attain full citizenship in the world of industry until it does something more than increase its wage. Price-fixing, however, has already begun. The next step, it would seem, will be some sort of co-ordination between the wage-fixing and price-fixing agencies.

With perfect co-ordination between these agencies, with the same body determining the cost of the product and the share of that cost which the producer should receive, it will, of course, become the aim of the workers to control that body. And insofar as they do obtain control, the whole wage-system will tend to disappear. Production will

then be carried on, in the fullest sense, for use and not for profit. Maximum production, as Mr. Gantt pointed out, would become the motive of industry: and it would be to the obvious advantage of the controllers to get the finished product to the consumers, not at the highest price, but with the least possible expenditure of time and energy. It is easily conceivable that a body meeting to adjust an industrial dispute shall not then raise wages but lower prices instead.

With such a transition it is not inevitable that there be a war between all the present-day capitalists and the present-day members of the proletariat. Insofar as the capitalist has any social service to bestow, he will not be stopped from bestowing it. We shall all need the initiative of those who have a genius for saving, and we shall allow them the fullest play for that genius in saving for the common good. We shall need the inventor, the engineer and the scientific manager, and we shall permit them to function more freely than ever before. Even the salesman, insofar as his work consists of education and the introduction of new and better methods, need not be dispensed with. And advertising, by the elimination of every motive for misrepresentation, may easily become a real art.

And does this mean that no one would have the opportunity to become rich? On the contrary—

